FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,457 Wednesday April 29 1981 ***25p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 28; DENMARK Kr 6.00; FRANCE Fr 4.50; GERMANY DM 2.0; ITALY L 800; NETHERLANDS Fl 2.0; NORWAY Kr 6.00; PORTUGAL Esc 50; SPAIN Pta 75; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 35p; MALTA 25c

NEWS SUMMARY

GENERAL

Runcie calls for nuclear ban

Dr. Robert Runcie, Archbishop of Canterbury, has urged a ban on tactical nuclear weapons.

He was speaking to the National Press Club in Washington, where he has been attending a meeting of Anglican and episcopal church leaders.

He said the weapons contribute to the dangerous illusion that limited nuclear war is possible.

Dr. Runcie called for a religious war on words that hide the horror of nuclear conflict—citing the phrase "demographic targeting" when the destruction of cities and their populations was envisaged.

Today's targets

Manchester air traffic control centre and Manchester, Birmingham, Liverpool and Belfast airports are today's civil services unions' strike targets in their pay campaign sanctions, which, they say, have blocked £3.3bn revenue in seven weeks. Page 12

Thatcher's No

Premier Margaret Thatcher refused a call from Opposition leader Michael Foot to abandon the "guillotine" timetable to press through the British Nationality Bill. Page 14

Channel watch

The Government is planning to keep a closer watch for radioactive leaks from new French nuclear stations along the Channel. Page 11

Wedding blamed

Chemical industry leaders are blaming the extra public holiday on Prince Charles's wedding day as one reason they cannot offer workers more than a 7.3 per cent pay rise. Men and Matters, Page 24

Callaghan rival

Former Premier James Callaghan faces a Left-wing challenge from 34-year-old education officer Nigel Knowles as Labour candidate for Cardiff South East at the next election. Page 14

Kidnap claim

Italy's Red Brigades claimed responsibility for kidnapping leading Christian Democrat Ciro Cirillo, a regional commissioner in the south.

FBI arrests ten

U.S. FBI agents arrested eight Americans and two Canadians said to have been trying to mount an invasion of Caribbean island Dominica.

Still chilly

More than 13,000 homes in the South West were still without electricity, two days after heavy snowfalls.

Catch 77

A Prague human rights campaigner lost his job as a convent nightwatchman when his gun permit was withdrawn. He had been sacked as a doctor for signing Charter 77.

Briefly . . .

Pharmaceutical Society has called for restrictions on sales of the painkiller paracetamol. Page 9

Turkish police arrested 55 farmers in three Anatolian villages after discovering illegal opium poppy fields.

Only 30 members of the public will be allowed into Old Bailey's Court One today when Bradford driver Peter Sutcliffe goes on trial accused of murdering 13 women.

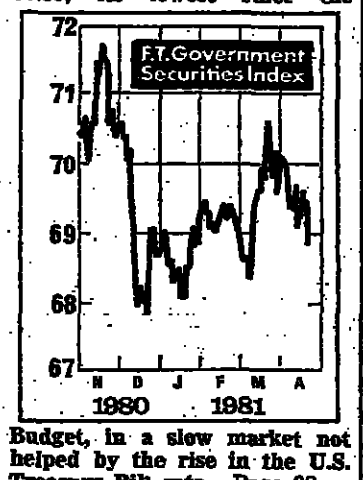
New house buyers in Peterborough are being offered a free annual season ticket to London worth over £1,000.

BUSINESS

Equities fall 11.5; Gilts off 0.35

● EQUITIES: the FT 30-share index closed 11.5 down at 574.5 as profit-taking spread widely ahead of Thursday's end of the Easter Account. Page 38

● GILTS: the Government Securities index lost 0.35 to 68.83, its lowest since the Budget, in a slow market not helped by the rise in the U.S. Treasury Bill rate. Page 38



● WALL STREET was down 10.36 at 1013.69 before the close. Page 36

● DOLLAR'S trade-weighted index rose to 102.6 from 102.2 as it strengthened to close at DM 2.1850 (DM 2.1800), and Y213.25 (Y212) but eased to SwFr 1.9875 (SwFr 1.9895). Page 31

● STERLING fell 70 points to \$2.1570, and closed at SwFr 4.2850 (SwFr 4.3050), FFr 11.1625 (FFr 11.1850), DM 4.7125 (DM 4.7175) and Y460 (Y458.75). Its index was 98.7 (98.9). Page 31

● GOLD fell \$1 to \$482.50. Page 31

● U.S. TRADE DEFICIT narrowed to \$451.4m in March from \$3.15bn in February, the Commerce Department said.

Managers' pay rises 'lagging'

● MANAGERS in the private sector will be earning less in real terms at the end of this year than in 1975, the British Institute of Management said. Back Page; Details, Page 21

● NORTH SEA oil operators' orders from the supply industry fell to £2.4bn last year, from £2.7bn in 1979. The UK industry's share fell from 79 per cent to 71 per cent. Page 9;

● BARCLAYS BANK could acquire a 31 per cent stake in Myson, the heating and ventilation group which yesterday announced trading losses of £2.97m for 1980 compared with trading profits of £2.10m for 1979. Back Page; Details, Page 27; Lex, Back Page. Profile of Barclays, Page 24

● BUILDING and civil engineering employers abandoned a proposed four-month wage freeze, averting a threatened national strike by 700,000 workers. Page 12

● CONSOLIDATED GOLD Fields intends to acquire a major stake in Newmont, the U.S. mining and energy group. Back Page; Details, Page 28; Lex, Back Page

● AGFA - GEVAERT, the Belgian-German photographic company, reported net profits of DM 63.2m (£13.4m) for 1980, after a loss of DM 117.8m in 1979. Page 34

● GASCO INVESTMENTS increased its bid for mining and property group Saint Piran, and won the support of counter bidder Burma Mines. Page 29; Lex, Back Page

● TARMAC, the roadstone and civil engineering group, increased taxable profits by 16 per cent in 1980 to a record £44m. Page 26; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Blue Circle	452	+ 10
Farnell Elec.	457	+ 17
Hield Brothers	12½	+ 2
House of Fraser	158	+ 4
James (Maurice)	19½	+ 2½
Leadenhall Sterling	65	+ 5
OK Bazaars	800	+ 70
Silentnight	74	+ 7
Simon Eng.	412	+ 16
Smith St. Aubyn	196	+ 6
Tarmac	390	+ 20
Cent. Pacific Mnrls.	87	+ 7
FALLS		
Exchqr. 12pc 1998	£87¼	− ½
BICC	244	− 11
Bailey (Ben.)	20	− 3
Barclays Bank	422	− 13
Black (A. C.)	67	− 8
Bowater	257	− 10
Cadbury Schweppes	95	− 3½
Daily Mail A	488	− 15
Davis (Godfrey)	82	− 6
Glaxo	350	− 8
GRE	336	− 12
Harris Queensway	232	− 12
Hartwells	95	− 9
Hawker Siddeley	346	− 10
ICI	302	− 8
Ladbroke	312	− 7
Land Securities	417	− 7
MY Dart	43	− 6
Myson	40	− 6
North (M. F.)	27	− 3
Pearl Assurance	448	− 10
Pilkington	312	− 9
Plessey	317	− 8
Thorn EMI	392	− 12
Waddington (J.)	134	− 8
Willis Faber	322	− 11
Ultramar	420	− 20
Vaal Reefs	£31½	− 1½

Pope sends personal emissary to Belfast as Sands nears death

BY STEWART DALBY IN BELFAST AND RICHARD EVANS IN LONDON

THE POPE sent a personal emissary to Belfast yesterday to demonstrate his concern about Mr. Bobby Sands, the republican hunger striker near to death in the Maze prison.

The Reverend John Magee, personal secretary to Pope John Paul II, arrived in Belfast last night after a two-hour stopover at Heathrow Airport, London, where he had discussions with Mr. Peter Blake, Minister of State at the Foreign Office, and Mr. Michael Alison, Minister of State at the Northern Ireland Office.

The immediate hope in Whitehall was that Mr. Magee, who was born in Newry, County Down, and has been personal secretary to three popes, would seek to persuade Mr. Sands to abandon his fast, now in its 60th day.

In Belfast, Mr. Magee was whisked away from the city's Aldergrove airport and later arrived at the Maze prison accompanied by Cardinal Tomas O'Fiaich, the Roman Catholic primate of all Ireland.

The decision by the Pope to send the special emissary was conveyed by the Vatican to Sir Mark Heath, Britain's envoy. He was told the Pope wanted to demonstate his personal concern over the humanitarian aspects of the hunger strike.

It was stressed that the move by the Pope did not amount to an official intervention, and it does appear to have the full support of the Foreign Office as a possible means of bringing pressure on Mr. Sands to abondon his fast.

In London there was no sign that Mrs. Thatcher and her Cabinet colleagues were prepared to make concessions to try to end the hunger strike and ease the threat of widespread violence should Mr. Sands die.

It was stressed that the Government would not be panicked by fears of a renewed IRA bombing campaign into giving special privileges to Mr. Sands and other H-block prisoners.

The Prime Minister received a report on Monday from Mr. Humphrey Atkins, Ulster Secretary, on the general situation in Northern Ireland. Yesterday she issued a strong condemnation of terrorist groups in the province who "try to impose their will by terrorism."

In the Commons, she expressed sympathy with the relatives of the 1,500 civilians and 600 soldiers and policemen who had been murdered since the present troubles began, but she refused to be drawn on Mr. Sands.

Soon after Mrs. Thatcher spoke there was a meeting in a Commons committee room of a group called, Don't Let Irish Prisoners Die, chaired by Mr. Ernest Roberts, Labour MP for Hackney North and Stoke Newington.

The intention was to put eleventh hour pressure on the Government to meet Mr. Sands' demands. Twenty-four Labour MPs and one Welsh Nationalist have signed a Commons motion calling on the Government to negotiate with the hunger strikers "to avert a tragic death and to avoid further conflict."

Also present were Mr. Owen Carron, Mr. Sands' election agent at Fermanagh and South Tyrone, and Mr. Neil Blaney, Irish and European Parliament MP, who forecast "a massive escalation of violence" should Mr. Sands die.

Mr. Sands' condition was last night said by Provisional Sinn Fein, the political wing of the IRA, to be critical. Mr. Francis Hughes, 25, who went on hunger strike on March 15, two weeks after Mr. Sands, is also said to be in a critical condition.

Ten more alleged Republicans and H-Block activists were rounded up yesterday in predominantly Roman Catholic areas of West Belfast. The arrests mean that between 30 and 40 activists have been rounded up in these last stages of the Provisional IRA protests.

A member of the Ulster Defence Regiment was killed near Castlewellan, Co Down, yesterday. The army said the murder took place when the soldier was with others operating under cover

The Reverend Ian Paisley, a major loyalist leader, said yesterday that "war will no doubt be unleashed with savage fury upon us." He said that it was incumbent on the British Government to send more troops to Northern Ireland.

CBI more optimistic on export prospects

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE STEEP recession of the past 18 months is flattening out for much of British manufacturing industry and optimism about export prospects is improving. But there are no signs of any general upturn in activity.

The Confederation of British Industry quarterly trends survey, published yesterday, is the least gloomy for two years. There are marked changes in expectations about business confidence, new orders and output.

The results do not, however, support Government hopes of an early recovery in activity. The best that can be said is that the economy is probably bouncing along the bottom with investment and employment likely to fall further in the coming months.

CBI leaders were yesterday anxious to stamp out premature euphoria. Mr. James Cleminson, chairman of the CBI economic situation committee, said "it would be wrong to say with any certainty that we have hit the bottom, much less talk of genuine economic recovery."

Mr. Cleminson stressed the "significant differences between different sectors of industry, and even between firms within the same sector. While some companies are continuing to face depressed conditions, others are more confident."

The survey, covering 1,893 manufacturing companies, shows that, in general, signs of increased optimism are most noticeable in the intermediate goods sectors, such as metal manufacturing and chemicals, which were severely hit by a big rundown in stock levels last year.

The survey shows only that the economy has probably stabilised at a very low level of output and profitability after the rapid deterioration since 1979.

A striking feature is the marked improvement in optimism about export prospects over the next 12 months. This is despite very low export price rises and difficulties in selling in export markets.

The explanation may in part be that the recent decline in the value of sterling, especially against the dollar, has made exporters more confident about their ability to raise prices. There appears to have been a strengthening in the worldwide demand for capital goods.

There are still many uncertainties about the short-term economic outlook. Estimates by CBI economists based on the survey are consistent with a 1.6 per cent rise in manufacturing output between February and July and a 5 per cent decline.

The estimates point to a drop by July of between 170,000 and 330,000 in manufacturing employment from the January level of 6.19m.

Editorial Comment, Page 24
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The Main Points

● Flattening in demand and output expected over the next four months.

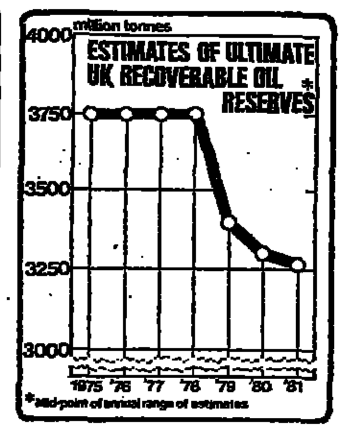
● Over four-fifths of manufacturing companies working below capacity.

● Optimism about export prospects has improved and business confidence has stopped declining.

● Investment intentions remain weak and destocking continues, though on a smaller scale.

● Further large falls in manufacturing employment likely over the next four months.

● Corporate liquidity has stabilised after two years of deterioration.



Estimate of oil reserves down again

By Ray Dafter, Energy Editor

THE GOVERNMENT has reduced by 25m-50m tonnes the amount of oil it estimates can be recovered from the North Sea and other UK offshore areas. At current prices, this amount of oil is worth £3.3bn-£6.6bn.

This is the third time in three years that estimates of Britain's potential oil reserves have been down-graded.

The latest figures, contained in the Department of Energy's Brown Book of oil and gas statistics published yesterday, show that the Government expects between 2.175bn and 4.35bn tonnes of oil to be available for recovery.

These reserves compare with last year's estimate of 2.2bn-4.4bn tonnes and projections of 3bn-4.5bn tonnes published annually between 1975 and 1978.

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£ in New York

	April 27	Previous
Spot	\$2.1550-.70	2.1600-1620
1 month	0.75-0.85 pm	0.65-0.70 pm
3 months	2.20-2.30 pm	2.25-2.35 pm
12 months	6.90-7.10 pm	6.90-7.10 pm

Israel attacks Syrian forces

BY DAVID LENNON IN TEL AVIV

THE DANGER of war between Israel and Syria increased yesterday when Israel intervened directly for the first time in the fighting between Syrian and Christian forces in Lebanon.

Israeli warplanes shot down two Syrian helicopters which were said to be attacking Christian forces near Zahle in eastern Lebanon. This marked a deliberate and radical change in Israeli policy and Mr. Menachem Begin, the Prime Minister, said that Israel "will continue to act in this direction."

The Lebanese Government also reported that Israeli aircraft had attacked Syrian ground positions near Zahle, but this was denied in Tel Aviv by Israeli officials.

Mr. Begin said: "Israel does not want a war with Syria, nor does it believe that there will be such a war."

But he admitted that there were dangers involved in Israel's decision to go into action against the Syrian forces.

Mr. Begin said that Israel had a duty to protect the Christians in Lebanon out of both moral and political considerations. "We will not let the Syrians gain control of Lebanon and wipe out the Christians living there," he said.

The Prime Minister explained that Israel had decided to intervene militarily only after intensive diplomatic efforts had failed to halt the Syrian attacks on the Christians. He cited U.S. State Department accusations that Syria had disturbed the status quo in Lebanon as justification for the Israeli intervention.

Mr. Begin expressed the hope that the Syrians would not go to war, but said that if Syria did act against Israel, then "counteraction will be considered."

For President Hafez al-Assad, of Syria, the Israeli action is seen as a gross provocation, especially as his Foreign Minister was in Beirut trying to arrange a cease-fire, and he could react militarily. Syria has been increasingly worried about the co-operation between the Christian militias and the Israelis which, it fears, could result in the effective annexation of another slice of Arab territory by Israel and pose a more potent threat to its own society.

Mr. Assad also knows that he would be bound to lose any full-scale confrontation with Israel. But he may be relying on his treaty with the Soviet Union and the threat to the West of the possible use of the Arab oil weapon so as to persuade the U.S. to urge restraint on Israel.

Despite Syria's relative issolation within the Arab world, it is unlikely that Saudi Arabia and the other major oil producers could stand by and watch Israel score another victory.

It was unclear last night just how far Israel intends to go in its attacks on the Syrian forces in Lebanon, but it appeared that the active intervention yesterday is a victory for the hawkish forces in the Israeli military and political leadership who have been urging direct action against Syria. The Lebanese Christians have also been urging Israel to intervene against the Syrians.

But Mr. Begin left the impression that Israel was taking a calculated risk that the Syrians would realise they were in no position to face Israel in an all-out battle.

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Communists support Mitterrand

BY ROBERT MAUTHNER IN PARIS

THE French Communist Party yesterday issued an unconditional appeal to its supporters to vote for M. Francois Mitterrand, the Socialist challenger decisive second ballot on May for the presidency, in the 10.

This boost for M. Mitterrand's hopes, which came in a resolution adopted by the party's central committee, contrasted with the more ambiguous tone adopted on Monday by M. Jacques Chirac, the Gaullist leader.

M. Chirac (who like M. Georges Marchais, the Communist leader, was eleminated in the first round of the election last Sunday) merely said he had made a personal choice to vote for President Giscard d'Estaing in the final ballot. He left to the individual consciences of his supporters how they should vote.

Other Gaullist "barons," such as M. Jacques Chaban-Delmas, President of the National Assembly and unsuccessful Gaullist candidate in the 1974 presidential election, have also opted for M. Giscard. However, the overall Gaullist commitment is far from total.

The Communist stand, on the other hand, was much more straight forward than some French commentators expected. Many thought M. Marchais' poor performance in the first round might lead the party to impose particularly tough con-

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Satellite TV consortium plan

BY ALAN FRIEDMAN

A CONSORTIUM of British merchant banks and companies is being formed to invest about £10m in a satellite broadcasting service to beam television pictures across Europe.

The financial package is being assembled jointly by Guinness Mahon and Barclays Merchant Bank. Others involved include British Aerospace, Ferranti and Trident Television.

Mr. Ward Thomas, chairman of Trident, said yesterday the consortium was at an early stage in its work but satellite broadcasting was a type of business his company might seek to develop.

Mr. David Berryman, a director of Guinness Mahon, will be chairman of the company, known as Satellite Television Limited.

The satellite consortium has been developing as a study group over the past six months. It will examine a number of potential broadcasting services, including video-data and close-circuit services.

It is possible, by using a satellite, to beam a signal across a geographical range from London to Moscow. This signal may contain video-data such as business information, entertainment programmes or personal banking services.

The consortium does not plan to launch its own satellite but hopes to use one fo the satellites planned by Eutelsat, the international organisation of European telecommunication systems.

Mr. Michael Peterson, a director of the satellite group from Barclays Merchant Bank, compared the venture to the development of breakfast television. "A number of interested parties have got together and see this as an exciting project," he said.

The logical next step, Mr. Peterson said, would be to formalise the consortium through a group of shareholders. The project woul dnot take the form of a public issue.

Mr. Peterson said the consortium was working closely with British Aerospace. He said there was a high level of interest from companies at home and on the Continent.

Trident annual meeting. Page 29

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Rising fuel bill spells further trouble for Apel

By JONATHAN CARR IN BONN

A SERIOUS new financing problem faces the Bundeswehr, the West German armed forces, and is bringing Herr Hans Apel, the Defence Minister, under heavy political fire. Higher fuel and other costs mean that at least DM 500m (£106m) will have to be found on top of this year's budget estimates.

The extra bill for 1981 could even total DM 1bn, but it is understood that only about half of that can be classed as wholly unavoidable expenditure. There is thus scope for further strenuous savings efforts.

Word of the new difficulties emerged yesterday in the Press and comes at a peculiarly bad time for the Government coalition, which is facing an important election in Berlin on May 10.

The opposition parties promptly pointed out that their previous warnings about mismanagement by Herr Apel had been confirmed and expressed fears that the Bundeswehr might be prevented from carrying out its defence role effectively

A defence expert from the ruling Social Democrats, Herr Apel's own party, suggested that some taxes—for example, on spirits—might have to be raised to help meet the bill. This suggestion is likely to prove very unpopular since the mineral oil tax has only just been increased, to a chorus of complaints from motorists.

Early last month, Herr Apel revealed that Bon would have to meet far higher defence bill over the next few years than previously estimated, despite savings measures and cuts in some weapons procurement plans. But at that time the full extent of the extra burden this year was not made clear.

Despite a projected cut in military manoeuvres and training, it is understood that the Defence Ministry expects fuel this year to cost DM 864m, instead of the DM 730m provided for in the budget.

The Tornado multi-role combat aircraft project, whose spiralling cost has been a source of serious concern to Herr Apel, is turning out to be more expensive still. The budget provided for DM 2.8bn for Tornado expenditure this year but latest estimates are that DM3.1bn will be needed.

Metal-workers leader sees little chance of agreement

BY STEWART FLEMING IN FRANKFURT

LAST-DITCH negotiationse aimed at avoiding serious strikes in the West German metal inyesterday, but the union leader dustry began near Stuttgart conducting the talks said there was little prospect of agreement.

Herr Franz Steinkuehler, district leader of the 2.7m strong IG-Metal union in the north Baden/Wuertemberg region, said the outlook was grim.

Unconfirmed reports late, however, said the employers were preparing a slightly improved offer of a 4.8 per cent wage rise.

Last week the IG-Metal executive took a first step towards full-scale strike action in some areas by declaring that, after three months, negotiations in four major regions had completely broken down. This left yesterday's talks in the important north Baden/Wuertemberg area as the last opportunity for reaching an agreement which could serve as a model for the metal industry nationwide.

The talks have been among the most bitter and difficult the metal industry has seen, with the employers initially offering a 2.8 per cent wage increase in response to the 8 per cent union demand. Last week, the Hesse region, rejected a settlement which wos estimated to amount to an average increase of around 4.7 per cent.

The metal industry negotiations have ben seen as an important indicator of the willingness of West German union leaders to accept that in today's difficult economic conditions, wage expectations have to be curtailed drastically.

Swedish Minister will not resign

By William Dullforce in Stockholm

MR GÖSTA BOHMAN, Sweden's Economy Minister, and leader of the Moderate (Conservative) Party, yesterday rofused to resign but reiterated his party's rejection of the tax reform plan that his coalition partners, the Liberals and Centre Party, agreed with the Social Democrat opposition.

The responsibility for the Government's future lay with the Prime Minister, Mr. Thorbjörn Fälldin, the Centre Party leader, Mr Bohman said.

The Centre and Liberal parties, by compromising over taxes with the opposition, had departed from the policy declaration made by the coalition Government when it took office, and had broken the agreement on economic policy reached in February.

Mr. Bohman . . . still rejecting tax plan.

That agreement envisaged cuts in public spending and reductions in income tax to take effect in 1982.

Mr Bohman was due to discuss the Government crisis, which erupted last Friday, with Mr Fälldin and the Liberal leader, Mr. Ola Ullsten, after meetings of the three parties' parliamentary groups.

The Moderate leader would not say whether his party would give Parliamentary backing to a minority Centre-Liberal coalition

The revised budget for 1981-1982 is due to be published today and it shows an increase in the budget deficit to SKr 74.9bn (£8bn) from the SKr 67.6bn estimate in the original draft.

Banks doubt accord with Poland by June

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

INTERNATIONAL BANKS expect to make further progress soon on their debt rescheduling talks with Poland, but many are still far from certain whether agreement can be reached by the end of June as Poland hopes.

This was the essence of the reaction in the financial community yesterday as it digested news of Poland's agreement with its leading Western creditor nations to reschedule $2.5bn in debt falling due this year.

A working party of international banks will meet in London next week to consider draft proposals for a rescheduling of Poland's debt falling due to the banks this year. Its deliberations will clearly be heavily influenced by the agreement between the governments signed on Monday.

At first glance this agreement seems to take a soft line on the Polish problem both because of the amount of debt to be rescheduled and because interest payments are to be consolidated into the refinancing.

The agreement provides for 90 per cent of the maturities falling due in the last eight months of this year to be rescheduled, whereas some bankers had expected the Western governments to allow payment to be deferred on a much smaller portion of the money.

The fact that Poland still has to repay all its debt within eight years, however, offsets some of this generosity. It is thought to have asked for a rescheduling over 10 years.

The working party meeting next week may well draw up proposals along similar lines to the governments', although it is highly unlikely that banks will allow Poland to defer interest payments. Some bankers also doubt that Poland will be allowed to reschedule all the $3.1bn in capital payments due to Western banks this year.

In any case the working party's conclusions are unlikely to be made public until it has had a chance to present them to the task force of international banks co-ordinating the talks with Poland. Members of this group will submit them for approval to their own banking caucuses.

This complex procedure, which has to be undertaken at a time when some national groupings of banks are still showing remarkable truculence about the whole matter, means that it is touch and go whether agreement can be reached by the end of June, some bankers say.

Our foreign staff adds: Warsaw welcomed the breakthrough with creditor nations, but government officials said that a full economic recovery programme would not be possible until a similar agreement had been reached with the commercial banks.

The long-awaited plan, delayed by political and social upheavals in Poland is expected to include cuts in investment, price rises, redeployment of labour from least productive industries, decentralisation of economic and industrial management and renewed efforts to increase food production.

Prices up 1% in France

By Terry Dodsworth in Paris

FRENCH RETAIL prices rose by 1 per cent last month following a sharp 1.5 per cent increase in food prices, which were freed from official control earlier in the year.

The March figure was marginally higher than the 0.9 per cent rise in February, bringing the rate of increase over the past 12 months to 12.5 per cent, compared with 13.6 per cent for the 1980 calendar year.

Although the exceptional rise in food prices has coincided with the ending of controls, it is not likely to cause much controversy, given the recent bad weather conditions. According to the Economics Ministry, the cold spell has been the main factor behind the big increase in the prices of some fruit and fresh vegetables.

At the same time, alcohol prices also shot up because of tax changes, bringing the increase in each of these two categories to 2.9 per cent.

For the authorities, the two most encouraging aspects of the figures were the slowdown in the price increases registered for manufactured goods and services, both of which rose by only 0.8 per cent.

Food prices are expected to continue to rise strongly during the rest of spring, partly as a result of the cold spell. But it is hoped to limit the overall increase in the index to 6 per cent in the first six months.

EEC labour costs increasing

BY JOHN WYLES IN BRUSSELS

FURTHER EVIDENCE of the steady decline in the competitive international position of European Community countries in general and of the UK in particular came yesterday with European Commission figures showing a substantially higher annual rate of increase in EEC labour costs than in other major industrialised countries.

The Commission's latest studies offer a partial explanation for the swift deterioration in the EEC's trade deficit over the past two years.

Higher oil prices have been a major factor, but economists have been emphasising constantly that a broader decline in competitiveness is taking place.

Yesterday's figures on relative unit labour costs highlight one aspect. Whereas costs measured in dollars rose by 3 per cent per annum in the EEC's nine member countries between 1970 and 1980, labour costs fell at a 4.2 per cent annual rate in the U.S. and rose by only 1.3 per cent in Japan and 1.5 per cent in Switzerland.

The Community's overall position has been aggravated by a slight appreciation in its currencies. But in the UK this has been a major factor behind the surge in its relative labour costs in 1979 and 1980.

During the last decade as a whole, UK costs rose at an annual rate of 4 per cent — significantly above the Community average. But in dollar terms, the increase was 15.9 per cent over the previous year in 1979 (EEC average 8.4 per cent) and 32 per cent in 1980 (EEC average of 6.4 per cent).

These figures are also a reflection of a relatively poor productivity performance. During the last decade the Community's annual increase in productivity has been 3.8 per cent and the UK's 2.1 per cent. But output per employee in the UK rose by only 1.2 per cent in 1979 (EEC average 4.6 per cent) and fell by 4.2 per cent in 1980 (EEC average plus 2.1 per cent).

Price cutting hits steel market

BY OUR BRUSSELS CORRESPONDENT

THE MARKET for some steel products is still apparently being undermined by recurrent price cutting, despite a 5.5 per cent drop in EEC crude steel production in the first quarter of this year and "peace" talks among leading steel companies on voluntary output curbs.

According to officials of the European Commission monitoring the regime of compulsory production quotas, the latest price battles are being fought over wire rod sales and reinforcing bars. Nevertheless, they claim that since its introduction in October the compusory system has generally stabilised and raised prices by a modest amount, although it is nowhere near the orginal target of boosting prices well above end 1979 levels.

According to figures published yesterday first quarter steel output was 5.5 per cent lower than in the same period last year—a period heavily influenced by the British Steel Corporation strike—and 10 per cent lower than in the first quarter of 1979.

March production reached 11.2m tonnes which, after season aladjustment was 0.5 per cent higher than in Febuary. At this production level the EEC industry is working at only about 55 per cent of capacity but the general depression in prices, recently reflected in heavy reported losses from French and German steel companies, suggests that production cutbacks ought to have been heavier.

Against this background, there is already scepticism here about the possible success of a voluntary regime.

The 15 leading EEC producers grouped in Eurofer, have reached broad agreement on voluntary quotas although the German company Kloeckner Werke is still to be preventing completion of a final package.

At the same time, talks between Eurofer and the European Independent Steelworks Asociation, representing 70 smaller steel companies, are said to be going well.

Netherlands warned on spending

By Charles Batchelor in Amsterdam

THE DUTCH Government must make urgent efforts to reduce its public financing deficit, Dr. Jelle Zijlstra, president of the Netherlands central bank, warned yesterday in his annual review of the economy. The deficit rose to 7.5 per cent of national income, or Fl 23bn (£4.38bn), last year from 5.6 per cent in 1979.

Dr. Zijlstra, who retires in December after 15 years as head of the bank, warned that it would take time for the Dutch economy to recover. Many years of sustained wage restraint would be needed for significant results to be achieved in investment and employment.

So far, he said, the fruits of wage restraint had been used not to improve industry's profitability but to increase the flow of funds to the public sector.

He dismissed suggestions to reduce working hours or to expand public sector employment as ways of increasing the availability of jobs.

Dr. Zijlstra said the Government had not done enough to revive the economy. Competitiveness on world markets had improved but inflation had risen to 5.5 per cent from 4.5 per cent in 1979 and unemployment by 38,000 to 248,000.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Extremists seize Naples reconstruction chief

BY RUPERT CORNWELL IN ROME

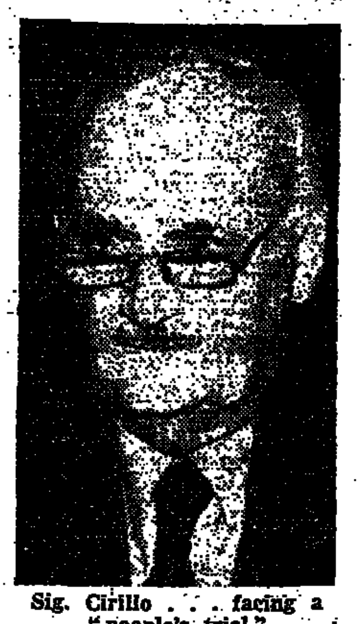
ITALY IS facing a new kidnapping drama with the seizure by far-left Red Brigades extremists of Sig. Ciro Cirillo, a former Christian Democrat president of the Campania regional junta a few miles down the cost from Naples.

Sig. Cirillo, who is in charge of housing matters in the earthquake-devastated region, was captured as he returned home late on Monday evening. As he got out of his car, a group of gunmen opened fire, killing his driver and bodyguard and wounding his secretary.

He was driven off by his captors and, early yesterday, a Naples newspaper was told by a caller claiming to speak for the Red Brigades, that Sig. Cirillo would be facing a "people's trial."

The ruthless efficiency with which the crime was carried out—reminiscent of the kidnap in March 1978 of Sig. Aldo Moro, the former Prime Minister—has convinced police that the same organisation was responsible. Last night police were conducting a wide search for the terrorists' hide-out in and around Naples.

Assuming the Red Brigades are involved, the kidnap would appear to represent a change in tactics aimed at exploiting the widespread discontent and anarchy in Naples, which has been brought to a new pitch by the damage caused by the earthquake last November 23.



Sig. Cirillo . . . facing a "people's trial."

Their victim has been one of the local officials most involved with reconstructing the region, including Naples itself, where more than 100,000 people are still without a safe roof over their heads. A Bill approved by the cabinet two-and-a-half months ago to channel L6,000bn (£2.7bn) of aid to the two worst-hit regions, Campania and Basilicata, has not been approved by Parliament, amid much abstruse quarrelling over priorities.

This legislative and administrative sloth, however predictable, has brought despair and sometimes violence to Naples, as the city's unemployed have joined forces to protest with the new army of homeless. It is this mood that the Red Brigades are trying to turn to their advantage.

Their communication last night proclaimed the need to bring a decent labour market to Naples and to provide accommodation by taking over the unlet houses of the "imperialist bosses." The first reaction, however, has been a closing of the ranks of Christian Democrats and Communists who control the municipality.

Ankara cancels Greek meeting

BY VICTOR WALKER IN ATHENS

TURKEY HAS cancelled a meeting between the secretaries-general of the Greek and Turkish Foreign Ministries to discuss the two countries' disagreements about the Aegean Sea.

It was to have been held in Rome this week to prepare the ground for another meeting between Mr. Constantine Mitsotakis, the Greek Foreign Minister, and Mr. Ilter Turkmen, his Turkish counterpart, during the Nato ministerial conference in Rome early next month.

The cancellation is seen here as the result of an increase in protests exchanged by the two countries in recent weeks.

Earlier this month Greece complained strongly to Ankara about alleged violations of its air space in the Aegean during Turkish military exercises. Turkey subsequently protested to Greece about an Armenian demonstration in Athens over alleged atrocities against Armenians in Turkey in 1915.

The Greek Government rejected the protest, informing Ankara that Armenian organisations legally in Greece had a right to demonstrate peacefully. It allowed a second Armenian demonstration to take place outside the Turkish embassy.

The renewed tension comes as Foreign Ministry officials appeared to have been making progress on areas of control in the air space over the Aegean.

A Government official in Athens said yesterday that the meeting would have helped ease tension.

Metin Munir adds from Ankara: Turkey believes that the Greek Government is giving free reign to Armenians to use Athens as a base for anti-Turkish activities. Armenian terrorist groups have killed 17 Turkish diplomats and their relatives abroad in a campaign aimed at establishing an Armenian state in Turkey's eastern regions.

● The Turkish military authorities have released Mr. Ercumeni Tahiroglu (35), the chief lawyer for Disk, the banned left-wing labour group, after three days of questioning, AP reports from Istanbul. He was detained on Friday in a city near Istanbul.

A spokesman for the Istanbul Bar Association said Mr. Tahiroglu was released on Monday night after questioning at the martial law command headquarters in Istanbul. He was interrogated in connection with a military investigation into alleged "subversive activities" by Disk.

The lawyers' spokesman added that several other unionists linked to Disk, which was Turkey's second largest labour organisation before closure, were arrested on Monday in Ankarra and transferred to Istanbul.

Sir Ian Gilmour, Britain's Deputy Foreign Secretary on a four-day official visit to Turkey, said in Ankara yesterday that Turkish leaders had assured him they will strive for an early return to democracy.

● Mr. Kemal Canturk, the Turkish Trade Minister, left for Bulgaria yesterday on a three-day official visit at the invitation of his Bulgarian counterpart.

Trouble at sea over Norway oil safety rules

By Fay Gjester in Bergen

FOREMEN OF U.S. oil companies tend to regard Norwegian shop stewards and safety ombudsmen as "representatives of a local mafia," a Norwegian expert told a conference on offshore oil safety yesterday in Bergen.

Mr. Jan Erik Karlsen, author of a study about the problems of safety ombudsmen working in the Norwegian sector of the North Sea, said some companies tried to neutralise the ombudsmen by moving them to other jobs, or by circulating rumours that they would be sacked if they did not stop causing trouble.

Blacklisting of the so-called troublemakers had also been tried.

The basic cause of the trouble, he said, was the cultural collision between what the foreigners were used to and Norwegian attitudes to worker-employer relationships. The powers and responsibilities of the safety ombudsmen are defined by Norway's working environment law.

The theme of the conference, arranged by a Norwegian oil workers' union, was "safety in drilling operations."

The 90 delegates were told that drilling crews had the highest accident rate of any group of offshore workers. Of 1,683 injuries recorded on Norwegian offshore installations between 1976-79, some 366 were to drill crew members.

The rapid turnover among drilling crews was cited as an important reason for the high accident rate.

Meanwhile, in an out of court settlement, the insurers of the capsized Norwegian "hotel" platform Alexander Kielland have agreed to pay NKr 11m (£920,000) more to Joint Venture Consortium, a UK-Norwegian partnership which tried unsuccessfully last autumn to right the platform.

The Kielland capsized in a North Sea storm in March 1980 with the loss of 123 lives.

The agreement between the insurers and JVC, which originally claimed an extra NKr 26m, states that NKr 1m of the settlement amount represents payment for the consortium's experience and expertise, which will be used in a planned new attempt to right the platform.

Defections expected in South African poll

THE RULING National Party of Mr. P. W. Botha, the South African Prime Minister, is heading for a setback in today's general election among the country's white voters, although it will not change the party's overwhelming control of Parliament, Quentin Peel writes.

Political commentators unanimously expect defections to both left and right of the ruling party, as well as significant abstentions from traditionally loyal voters, with the electorate in an unprecedented state of uncertainty and confusion. The last opinion polls, carried out before candidates were nominated one month ago, showed a very high proportion of undecided voters.

In spite of the fact that the poll is presented by white politicians of all parties as crucial to whether the South African Government proceeds on a path of cautious racial reforms or calls a halt to those carried out so far, it is regarded with widespread indifference by the disenfranchised black majority.

Apart from the National Party, which has ruled the country without interruption since 1948, the voters face a choice ranging from the mildly liberal Progressive Federal Party (PFP), the official opposition, through the largely English-speaking and conservative New Republic Party (NRP), to three parties on the extreme right: the Herstigte Nasionale Party, the National Conservative Party, and Asksie Eic Toekoms, a splinter group.

At the last election in 1977, fought by Mr. John Vorster, the former Prime Minister, the National Party won a record victory of 134 seats out of 165, gaining almost 60 per cent of the total poll. The PFP won 18 seats, with 21 per cent. The total turnout was 64.5 per cent, rather lower than the normal figure of over 70 per cent.

Although the PFP ma increase its numbers, mainl at the expense of the NRI the main focus of interest : whether Mr. Botha will los seats to the HNP on his righ If that party manages to gai even one seat, it could give a vital platform for futur expansion and persuade M Botha to slow down h attempts at reform.

Another key indicator c disaffection with the rulin party will be a lower poll c an increase in the HNP vo to more than 100,000, con pared with 30,000 in 197 which was only 3.6 per cent c the total poll.

Botha goes back to his heartland

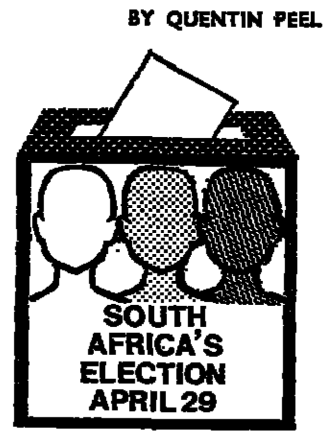
BY QUENTIN PEEL IN JOHANNESBURG

A SUDDEN flurry of election posters was the only indication of where to turn off the tarmac. From there a dirt road led through the moorland heather to a remote village school, high up in the forest above South Africa's glorious south coast, the famous Garden Route.

The posters' messages were simple: "PW is our man," they said. "Strong leadership now," and "Forward in faith and courage." In the Leeubosch school hall, an audience of 50, mostly forestry workers, with just a handful of curious outsiders who had driven up from the coast and two little girls in their Sunday best clutching bouquets, had gathered to hear an election speech by their Prime Minister and member of parliament, Mr. P. W. Botha. It was a rare visit by the South African leader to the heartland of his Afrikaner Nationalist support.

Mr. Botha intoned a speech very much like those he has been giving to mass rallies across the country: the world is in conflict and South Africa is the object of a total onslaught by the forces of Communism. Now is the time to unite to face that enemy.

It was hardly appropriate to the occasion. The foresters of Knysna are renowned as one of the most simple, backward and inbred white communities in South Africa, and their Nationalist loyalty is unquestioned. Mr. Botha used to lead them to the polling station on a white horse. But on this occasion there were no personal asides or fond memories. With a stabbing forefinger punctuating his phrases, and a permanent frown, he looked far more like an impatient headmaster reprimanding his pupils.



The truth is that Mr. Botha, even on his home ground, lacks the common touch. Yet the current election campaign—South Africa's white electorate goes to the polls today—has been fought around his leadership, his personality, and his attempt to give a new direction to the ruling National Party's apartheid policies.

There is no prospect of that party being defeated, or even of suffering more than a marginal reverse, but there is little doubt that Mr. Botha's leadership has thrown South Africa's normally loyal and unquestioning white voters—especially the Afrikaner majority—into unprecedented confusion. His meetings have attracted hecklers from both left and right, sparking off his notoriously short-fused temper, and have aroused something less than the enthusiastic support always enjoyed by his predecessor, Mr. John Vorster. There have been the required standing ovations, and emotional renderings of Die Stem, the South African national anthem, but the halls have never been filled to overflowing, and the real fire has been missing.

Mr. Botha's meetings have been in sharp contrast to those of Mr. Jaap Marais, leader of the extreme Right-wing Herstigte Nasionale Party. He whips his audiences into a fervour with blatantly emotional rhetoric, highly amplified to an almost hypnotic pitch, looking for all the world like another Goebbels.

The threat to Mr. Botha has been to his right, not his left. In terms of Afrikaner politics, that is where the real challenge lies. The liberal opposition, the Progressive Federal Party, may win a few seats in the urban areas, but mostly at the expense of the other opposition party, the New Republic Party. Mr. Botha's campaign has been fought to prevent any serious haemorrhage of votes to the more extreme conservatives of the Herstigte Nasionale Party and the National Conservative Party of Dr. Connie Mulder.

National Party propaganda has concentrated on reassuring white voters that it plans no serious dilution of apartheid which might allow black inroads on white control. Party pamphlets boast of the higher spending on white education than on black, they boast how spending just on education and defence exceeds white income tax payment, how blacks face a housing shortage and whites do not.

Mr. Botha has fought the election with a 12-point plan which deliberately leaves policy ambiguous, capable of being favourably interpreted by both Liberals and Conservatives, the so-called Verligtes (enlightened ones) and Verkramptes (reactionaries) in the ruling party. But that is simply another reason for t prevailing confusion, and is w National Party propaganda co centrates so much on "faith a courage" rather than on speci policies.

Yet despite the fact that mo of Mr. Botha's ministers ha been playing down any sugg tion of reform and emphasisi the party's credentials as t Conservative protector of whi privilege, Mr. Botha hims has not done so to the sa extent. His opponents do n believe he is a true reform at heart, but they admit he h taken on board the message his military advisers: th white South Africa is facing concerted external threat an to resist it, black South Africa must be made allies, n enemies of the Governmer That means spending at lea some of South Africa's conside able wealth on black advanc ment and development of tl black homelands, even if M Botha still rejects any sugg tion of dismantling the fund mental laws of apartheid.

It is a theme which is n particularly well received South Africa's overwhelming Conservative white electorat and it is one which Mr. Botl lacks the true salesman's fla to sell. There also remains very real question over wheth he can persuade his par majority to go along with it a better after the election th before, especially if the Co servative backlash do materialise and the Nation Party vote falls. Moreover, son of Mr. Botha's closest advise admit privately that he is n certain of where it is going: B so far at least he has remain consistent to his theme.

OVERSEAS NEWS

Roger Matthews reports on the Syrian-Israeli confrontation which threatens to provoke another war

How Lebanon became an Arab-Israeli battlefield

THE STAKES in Lebanon are so high and the tension so great that the latest outbreak of serious fighting, in which over 400 people have died, has again prompted speculation that it could provide the spark *which ignites another Middle East war.*

The fears were heightened yesterday when Israel shot down two Syrian helicopters. The complex issues in this tiny, *scenically beautiful country* carry the seeds of extreme danger for the Arab-Israel conflict and the future of the Palestinians.

With fighting raging in the central highlands, in Beirut and in the south, where repeated Israeli air strikes left 80 dead or wounded on Monday, *the U.S Administration* has warned of "serious developments which concern us." The Soviet Union is certain to be watching the situation with no less anxiety.

Lebanon has been of even greater strategic importance to neighbouring Syria and Israel since the 1975-76 civil war which *took the lives of an estimated* 35,000 people. Both countries regard it as vital to their national security and to the balance of superpower rivalry in the region.

None of the numerous warring parties accept the de facto partition since the civil war, least of all President Elias Sarkis and his largely impotent Government. For the Palestinian guerrillas, Lebanon is probably the last country in which they can maintain a limited degree of independence and is therefore critical to their survival, *the continuation of* the struggle against Israel, and their eventual goal of regaining their homeland.

It is rare for a single motive to provide the cause for fighting, such as has been witnessed during the past three weeks. Rather it tends to be a combination of circumstances with the only common factor during the past five years having been the willingness of the strongest participants to pull back from a full-scale conflagration.

The *delicate confessional* balance—a Christian president and a Moslem prime minister—*which the French structured* when Lebanon became independent at the end of the *Second World* War was already under strain when King Hussein drove the Palestinian guerrilla forces out of Jordan in "Black September" 1970. The built-in political bias towards the Christians, said to be in the majority, came to be increasingly resented by the Moslems, who also found themselves play*ing a secondary role in* the management of the economy.

These tensions were exacer*bated by* the Palestinians' arrival and contributed to the civil war. The Syrians, who had always *feared* that sectarian strife in Lebanon might spill over into their own country, watched anxiously as the left-wing *Moslem forces in alliance* with the Palestinians began to gain the upper hand. The Syrians eventually, in 1976, agreed to Christian requests to intervene.

For the second time in five years, Israel was able to sit back and enjoy the sight of soldiers of an Arab state shelling and *killing Palestinians whose cause* it internationally espoused. However, coming to the aid of the Christian forces did not mean Syria wished to see them establishing full control over Lebanon. There was little love lost between the left-wing ruling Syrian Ba'ath Party and the right-wing Maronite Christians *represented by* Mr. Pierre Gemayel's Phalange Party and Mr. Camille Chamoun's National Liberal Party. Mr. Suleiman Franjieh, the third of the Christian leaders, had always retained rather closer personal links with Syria's President Hafez al-Assad.

As the Christian militias *began to build up their military* strength, so their relations with Syria cooled further. At the same time the suspicion was growing that Israel was trying to establish closer ties with the Maronites, while the Palestinian *guerrillas were increasing their* cross-border raids from Lebanon into northern Israel.

Into this fragility was injected the tumultuous visit by President Anwar Sadat of Egypt to Jerusalem. In one weekend, a series of Middle East checks and balances were overthrown. Syria, without Egypt, was left *with no credible foreign policy*, the Palestinians with severely diminished hopes of regaining their homeland and Israel was on the way to reaching its most cherished goal: of removing the military threat from its largest Arab neighbour.

Provoked by a Palestinian raid near Tel Aviv which left *35 Israelis dead, Israel invaded* southern Lebanon in March, 1978. Its public aim was to destroy Palestinian bases, but it *also* managed to retain control of a swathe of territory along the border. After Israel's military withdrawal, but before the United Nations troops had arrived, the Israelis had handed this territory to Maj. Saad Haddad, a renegade Christian officer from the defunct Lebanese army.

The Syrian regime, under pressure from opponents at home and infuriated by Israel's surrogate acquisition of another slice of Arab territory, delivered a crude message that autumn, to the Lebanese Christian militias with a 10-day bombardment of their strongholds in East Beirut. The personal anger of *President* Assad had been intensified by the way the Phalangists were more openly co-operating with the Israelis and by their attempt to crush the influence of Mr. Suleiman Franjieh by murdering his son Tony, his wife, baby daughter and 30 supporters.

Syria was now trying to present a choice to the Christians: decide whether you wish to remain Arab or if you are going to "sell out to the Zionist enemy." The militias have responded by demanding the total withdrawal of all Syrian troops.

At the same time, the Phalangists have further strengtheed their domestic position by bloodily incorporating most of Mr. Chamoun's militia into *their own ranks*. Mr. *Bashir* Gemayel is the undisputed military leader of the Christian forces. It was almost certainly his efforts to strengthen the militias' positions around the town of Zahle in eastern Lebanon which led to the Syrian *shelling of the city*, dubbed as "brutal" by Mr. Alexander Haig, the U.S. Secretary *of* State, *during* his visit to Jerusalem this month.

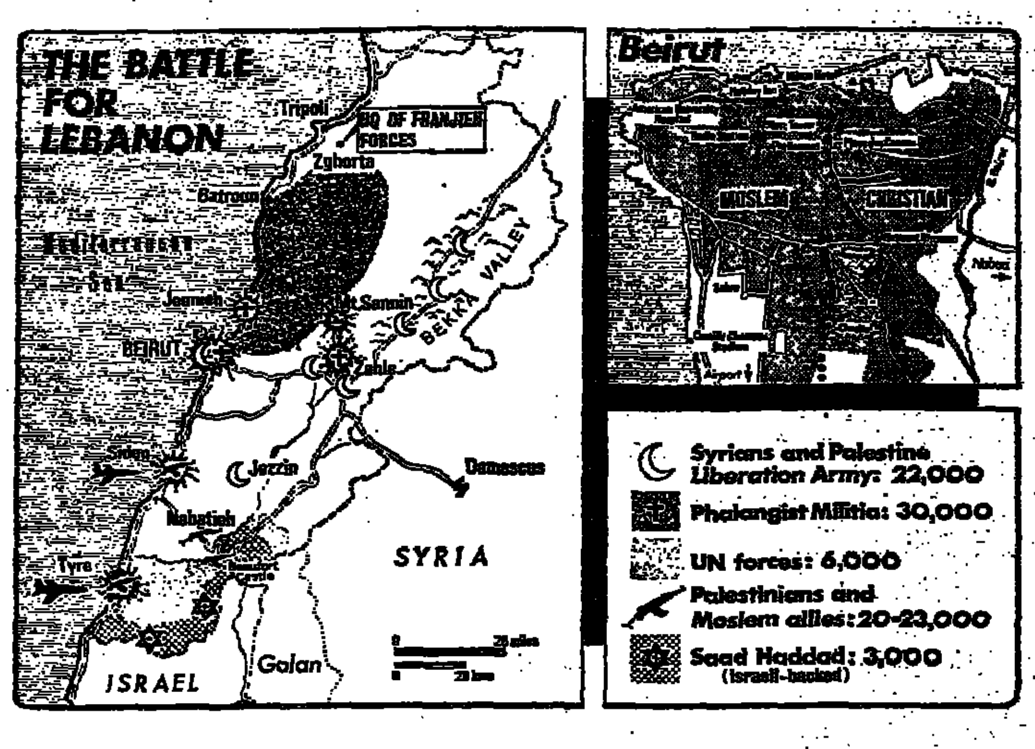
This, in turn, contributed to *increased shelling in the south* between Maj. Haddad's militia and Palestinians and their Moslem allies in which UN troops and civilians have been killed. Israel, with Mr. Menahem Begin, the Prime Minister, fighting for his political survival in the June 30 elections, has been demonstrating even less regard for Arab or Lebanese sensitivities and is making almost daily raids.

Suspicions have been voiced within Israel that Mr. Begin, to contrast his toughness with the softer approach of the opposition Labour Party, would not be averse to seeing Lebanon's crisis worsening as the elections near.

Syria certainly believes itself vulnerable to Israeli attack. This fear, coupled with an almost total lack of strong, reliable Arab allies, helped to persuade President Assad to sign a treaty of friendship and co-operation with the Soviet Union.

Moscow, despite its other preoccupations, could not risk the blow to its Middle East prestige of seeing its latest Arab ally suffer a major defeat. It is, therefore, probably urging restraint on Mr. Assad. The U.S. Administration, despite its strong desire to prevent further Soviet encroachment, will pos*sibly be relaying the same mes*sage to Mr. Begin.

Syria's relative lack of popularity in the Arab world would not prevent serious repercussions if the worst did occur. And this remains the strongest *single* reason for believing that, although there can be little hope of a solution, there is a *reasonable* chance that Lebanon's chaos can be confined within the borders of that hapless country.



Soviets cool after visit by Gadaffi

By David Satter in Moscow

COLONEL MUAMMER Gadaffi, the Libyan leader, yesterday ended two days of talks with Mr. Leonid Brezhnev, the Soviet President, which appear to have fallen short of Soviet expectations.

The Soviet news agency Tass said plans for further Soviet co-operation with Libya, were "defined concretely" during the talks which were held in an atmosphere of "friendship and frankness." This wording indicates that the two sides *disagreed*.

Western diplomats in Moscow thought the Soviet side *might have pressed Colonel* Gadaffi on the issue of possible Soviet bases in Libya.

Colonel Gadaffi *has said* he will not consent to Soviet bases on Libyan territory, but the Soviet Union, which has sold sophisticated weaponry worth millions of dollars to Libya, is presently without a single refuelling base for its sizable Mediterranean fleet.

During the talks less was made than had been expected of Colonel Gadaffi's role as a spokesman for the Arab *Steadfastness Front.*

The Soviet Union has called for a negotiated settlement between the Arabs and Israel, which is rejected by the front. It was thought possible that the Soviets would try to involve Libya in their recent efforts to play a more active part in the search for a *political settlement in the* Middle East.

Kuwait cuts oil supply contracts

BY PATRICK COCKBURN

BP AND SHELL are each to receive 50,000 barrels a day (b/d) of crude oil from Kuwait without any premium, the *companies said yesterday*. This is a substantial reduction in the amount of oil the companies have previously been buying.

Before renegotiation of contracts ending on April 1, BP and Shell were buying 150,000 b/d and 225,000 b/d respectively from Kuwait, of which only 75,000 b/d for each company was at the standard price of $35.50 a barrel. The rest carried a premium of $5.50. Shell still has one contract for 50,000 b/d with a premium, running up to September.

Gulf Oil is expected also to sign for 50,000 b/d, only a small reduction from its previous liftings. During negotiations last year Gulf refused to buy any oil from Kuwait at premium prices, and was surprised when BP and Shell agreed to do so.

The battle over Kuwaiti premiums, which has led to the *country* dropping *its* demand for premiums from the three western majors, is likely to have an impact on OPEC prices in *general. Since the renegotia*tions started BP, Shell and Gulf have been adamant in refusing to agree to any surcharges which they do not consider justified in soft market conditions.

Other major purchasers of Kuwait oil include a group of Japanese companies which together lift some 280,000 b/d.

Kuwaiti oil officials claim that they will have no difficulty in finding new customers but it is unlikely that these will be willing to pay the premium rejected by the majors.

Kuwait has been eager to refine more of its oil at home and to sign agreements with *overseas refineries* to take Kuwaiti crude in joint venture projects.

CHANCELLOR Helmut Schmidt of West Germany told Saudi Arabia yesterday that it was not feasible, for the time being, for Bonn to sell it arms, the Chancellor's *spokesman said in Riyadh*, our foreign staff writes.

Bonn's stand has long been *a* highly restrictive one on weapons deliveries outside the Nato area, and a ban on any supplies to "areas of tension."

But the Government is re-examining this policy, which could bring some relaxation—for example, arms might be supplied to a customer in "a zone of European security interest."

***Herr Schmidt made clear* before he left for Saudi Arabia that even after this re-examination Bonn's policy would remain restrictive but he was careful not to say the result would be a flat refusal of any Saudi weapons demands**

Anti-Fraser censure move fails

By Patricia Newby in Canberra

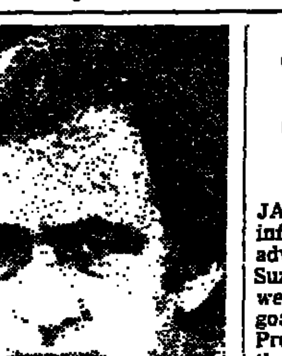
MR. MALCOLM FRASER the Australian Prime Minister, *yesterday survived a motion of* no confidence proposed by the Opposition to exploit a clash between him and Mr. Andrew Peacock, his former Industrial Relations Minister.

Mr. Bill Hayden, the Opposition leader, put the motion of no confidence during a heated exchange in Parliament in which *Mr. Peacock accused the Prime* Minister of eroding Australia's system of Cabinet Government. The vote was 71 to 47.

Mr. Peacock accused Mr. Fraser of pre-empting Cabinet decisions by lobbying individual ministers beforehand and by the use of a co-ordination committee and various ad hoc committees which *presented* Cabinet *with* virtual fait accompli decisions.

He also said that Mr. Fraser had broken a number of undertakings to him and seriously undermined his role as Minister for Industrial Relations.

He accused Mr. Fraser of disloyalty concerning the events leading up to his resignation. Mr. Peacock said Mr. Fraser undertook to deny a damaging



Mr. Peacock

report about Mr. Peacock which appeared on April 14 in the national newspaper, The Australian, owned by Mr. Rupert Murdoch.

Instead Mr. Fraser issued a Press statement which said: "I have seen the statement on the front of today's Australian con*cerning events that occurred* last year. There are some significant inaccuracies in that report."

Mr. Peacock said the statement could scarcely bear the description of a denial.

Behind yesterday's accusations by Mr. Peacock and denials by Mr. Fraser is a split in the L*iberal Party personified in the* styles of the men themselves.

Japan promises to meet defence goals by 1987

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN DECIDED yesterday to inform the United States (in advance of Prime Minister Suzuki's visit to Washington next *week) that it will achieve the* goals set out in a 1977 "Defence Programme Outline" by 1987 at the latest.

The decision is regarded as significant, as recent U.S. criticisms of Japanese defence efforts have focused on the fact that existing capability falls far short of the 1977 goals. However *it does not* represent a specific commitment by Japan to any particular level of defence *expenditure.*

Implementation of the general targets set out in the 1977 "outline" depends on a series of medium term plans drafted by the Defence Agency which in turn are subject to approval by *the Ministry of* Finance. The agency recently began work on a plan covering the period from 1983 to 1987, which is expected to be completed in about a year.

The 1977 Defence Programme Outline differs from earlier defence build-up programmes in setting general targets for Japan's defence capability rather *than laying down precise levels* of strength to be achieved in each of the three armed services.

The main target is that Japan should be able to defend itself against "limited" external *aggression.* "Large scale" aggression, including nuclear attack, remains the responsibility of the U.S. (under the terms of a U.S.-Japan security agreement) but the "Outline" stresses that Japan's defence forces should be able to provide logistic support for American forces and that Japanese and U.S. defence efforts should be co-ordinated.

A report on Comprehensive *National Security* drawn up in summer 1980 by a committee of independent experts strongly criticised the Government's failure to implement the 1977 "Outline" and suggested an immediate 20 per cent increase in Japanese defence outlays with the emphasis on hardware and research and development.

The report's recommendations were not adopted but the "firm" commitment to a terminal date for achieving the goals of the 1977 plan could mean that Japan's defence spending will have to rise faster after 1983 than *it has* done in the last two years.

Suharto shakes up oil company

By Richard Cowper in Jakarta

PRESIDENT SUHARTO has named a new President Director of Indonesia's state-owned oil company, Pertamina and virtually replaced the whole of the company's top management.

Indonesia is the largest exporter of oil and gas east of the Gulf and last year became the world's top exporter of liquefied natural gas.

Mr. Yudo Sumbono, who now replaces Mr. Piet Haryono as President Director of Pertamina *was previously the company's* domestic supplies director and a former close aide to General Ibnu Sutowo—a controversial former Petromina chief who is still widely regarded as having laid the foundations for Indonesia's oil and gas industry.

The official reason for the appointment of Mr. Sumbono as the company's top executive was that Mr. Haryono's five year term of office expired on April 15. Mr. Haryono was widely respected for his effective management of Pertamina, and *his dismissal is not thought to* have anything to do the way in which Pertamina was being run.

However, some observers have noted that Mr. Haryono has been taking an independent policy line in recent months. His successor's views are likely to be more closely aligner to those of President Suharto. This may prove important as the country is beginning to gear up for general *elections in 1982.*

Equally difficult to assess is what impact the sweeping *changes* in Pertamina's top management—seven of the company's directors were replaced —will have on the *running of* Indonesia's oil and gas industry.

A number of foreign oil executives initially *expressed* fears that the new team might take a much tougher line on the negotiation of new contracts and the renegotiation of the old ones. Indonesia is however still concerned to get as much oil out *of the ground* as fast as it can to finance its ambitious development drive.

AFTER THE THAI COUP ATTEMPT

Business, but not politics, as usual

BY DAVID BUTLER IN BANGKOK

ONE MIGHT imagine that life has returned to normal in Thailand just a month after the abortive April Fools' Day coup: most of the bureaucracy is back in business; numerous important economic decisions have been made by the Government.

But in Bangkok there is a growing conviction that the rebellion mounted by a group of ambitious young field commanders against Prime Minister Prem Tinsulanond's coalition Government has yet to play itself out.

Further, many Thai and foreign observers believe that Gen. Prem has missed a rare opportunity to use his success against the rebels to force through major changes in Thailand's *feud-ridden* politics.

Gen. Prem has devoted nearly all his energy since the abortive coup to trying to restore order to Thailand's military life. With officers who once provided a base for Gen. Prem's support now in hiding or detention, he has had to try to fashion a new *web of loyalty in the army.*

The leader of the coup, Gen. Sant Chitpatima, is now confirmed to be in exile in Rangoon. Gen Sant, once Deputy Commander-in-Chief of the army, has sought ultimate asylum in the United States. But U.S. authorities have turned down the request, and Gen. Sant is expected to remain in Burma.

At least six other officers involved in the tow and a half day revolt have yet to turn themselves in. While no one suggests that they could possibly regroup for another coup, the fact that they are still at large is unsettling, and has fuelled numerous rumours about assassination threats against Gen. Prem.

The effects of the coup attempt on business have been minor, though many tour operators cancelled their bookings *during and shortly after.*

Foreign companies already doing business here and sophisticated *investors abroad realised* that turmoil at the top is normal in Thailand. Further, bankers in Hong Kong say that the terms of an imminent $220m syndicated loan to the Thai Government for both military and civilian purposes will be extremely favourable.

Shortly after the coup attempt, the Government an*nounced higher electricity prices* and water rates. It lowered taxes on corporate dividends while tightening collection procedure.

Most important, after years of feasibility studies and political wrangling, it finally announced that the south-eastern provinces of Rayong and Sattahip would be the *site for a huge* industrial complex associated with the major reserves of natural gas *in the Gulf of Thailand.* Gas is due to start flowing on shore later this year.

These decisions prove *that* the Thai bureaucracy can continue to function when the ruling generals are in disarray for as long as three weeks. But there is doubt that it could do so indefinitely.

Gas find in Mediterranean

MOBIL OIL, the second largest U.S. oil company, has said that a second well drilled offshore from Egypt in the Mediterranean showed yields of gas and hydrocarbons, Paul Betts reports from New York. Although additional drilling would be necessary to determine the commercial significance of the find, the results at the El Temsah No. 2 well appear encouraging, the company said.

The well is the second to drilled by Mobil in the Damietta area under a production-sharing contract with Egyptian General Petroleum Corporation.

Mobil said the well was tested in two zones and revealed shows of gas and other hydrocarbons. The well is 28 miles offshore in water depths of 220 ft.

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Senator says India, Pakistan are speeding up N-race

BY DAVID BUCHAN IN WASHINGTON

INDIA AND Pakistan are speeding up a sub-continental nuclear arms race and both could explode nuclear devices within the next 18 months, according to a senior U.S. Senator briefed by intelligence officials. The allegation could jeopardise U.S. nuclear co-operation with India and a major package of U.S. aid for Pakistan.

Senator Alan Cranston, the second most senior Democrat, has disclosed what he called "evidence from the executive branch" that both India and Pakistan are making "final preparations" at possible nuclear test sites.

Senator Cranston said in the Senate this week that India was making surface excavations at Pokhran, a remote site in the Phar desert, apparently to bury a nuclear warhead to conduct an underground test explosion.

"U.S. officials have little doubt but that this new work, which apparently began in February 1981, is preparation for a nuclear bomb test," the Senator claimed. The new site is similar to and alongside the location of India's 1974 bomb test, about 100 miles from the Pakistani border.

Senator Cranston said U.S. officials were again concerned that a horizontal tunnel which the Pakistanis have bored into a hillside in Baluchistan, some 40 miles from the Afghan border, could be a nuclear test site. Concern about preparations at this site waned last year, the Senator said, but had been revived by new construction in recent weeks.

As Senator Cranston made his allegations, the Reagan Administration disclosed that it had firmly agreed with Pakistan that the U.S. should provide an initial $100m in economic aid in a $500m a year package. The rest of it would be military aid, part of a long-term programme to bolster Pakistan's security, but details have not yet been agreed with Islamabad, officials said.

Pakistan cannot receive any of this until Congress relaxes, as the Reagan Administration has requested, its ban on aid to countries thought to be developing nuclear weapons.

The Administration has argued that Pakistan's alleged nuclear bomb bid is a symptom of its insecurity, which could be removed if the U.S. were to show itself serious about entering into a long-term economic and military relationship.

But attempts to weaken U.S. anti-nuclear-proliferation law are sure to be stoutly resisted on Capitol Hill.

● Pakistan's Finance Minister, Ghulam Ishaq Khan, said in Tokyo yesterday that his country would not make nuclear bombs. Commenting on the Cranston Allegations he said his country was interested in developing nuclear power for energy and other peaceful purposes.

Judges begin Canadian constitution hearing

BY VICTOR MACKIE IN OTTAWA

Mr. Trudeau: opposed by eight provinces.

CANADA'S Supreme Court yesterday began its hearing into the legality of the constitutional package proposed by Mr. Pierre Trudeau, the Prime Minister. The hearing is expected to continue throughout the week and the nine justices are expected to give their decision in about four weeks.

Mr. Trudeau's plans have caused an acrimonious debate, and eight of the 10 Canadian provinces have lined up against the federal Government.

The opinion of the court, final arbiter of constitutional disputes since 1949, will mean either that the constitutional package is sent to London for debate and action in Westminster, or that the Liberal Government is back to the starting point, with the Prime Minister's dream of a Bill of Rights incorporated into the constitution at an end.

In the latter case Mr. Trudeau may throw in his hand and proceed with his intended resignation earlier than expected. Alternatively, he might agree with the demand from the eight provinces opposing him, to meet yet again in another federal-provincial conference to try to resolve the differences.

By seeking the opinion of the Supreme Court, Mr. Trudeau has released the British Parliament from a potentially awkward dilemma. Fundamental constitutional change in Canada still requires the formal approval of Westminster where many members, including the select committee on foreign affairs of the House of Commons, believe that Mr. Trudeau's package is illegal because of the opposition of a majority of the provinces. The decision is now out of Westminster's hands, at least for the moment.

If the Canadian court upholds Mr. Trudeau's procedure, the road ought to be clear for Westminster to pass his package this summer. The package includes a Bill of Rights, the ending of Westminster's role in the Canadian constitution, and a procedure for future amendments to be passed in Canada—the so-called patriation of the constitution.

If the Supreme Court finds in favour of Ottawa the court will in effect be transferring much power to itself and to its lower court colleagues. Through the Bill of Rights the Prime Minister's package would transfer much power to the courts from the provincial legislatures. The eight provinces have opposed this vigorously. They call for patriation of the constitution incorporating an amending formula for future changes, but without the Bill of Rights.

A battery of lawyers representing each of Canada's 11 Governments—two provincial governments and Ottawa are on one side, and the eight dissenting provinces are on the other—have been preparing for weeks for the long arguments in the red crapeted courtroom.

The hearing matches two of Canada's most respected lawyers on rival sides. At 74, Mr. John Josiah Robinette speaks for the Federal Government. Against him, leading the provinces' case is Mr. Kerr Twaddle, who was born in Glasgow.

The two men fought the constitutional case in the Manitoba Appeal Court and Mr. Robinette won for the federal authority on a split decision. Ottawa also won in the Quebec Superior Court, on a split decision. The provinces won in Newfoundland where the verdict was unanimous.

The eight dissenting provinces claim that Ottawa cannot request Britain to patriate the constitution with substantial amendments without first obtaining the approval of at least a majority of the provinces. Their legal arguments have two basic points:

● That a convention or practice exists which has hardened into law, requiring the consent of provincial governments for any changes affecting their jurisdictions.

● That provinces are sovereign in their own jurisdictions and the British Parliament cannot legislate in that field without provincial consent but is also a trustee, bound by tradition to protect that sovereignty.

Haig renews Moscow warning

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE ENDING of the partial grain embargo against the Soviet Union does not mean that U.S. concern about Russian expansionism has lessened, Mr. Alexander Haig, the Secretary of State, told a Congressional committee yesterday.

Mr. Haig, who was outvoted when President Reagan decided to end the embargo last week, insisted yesterday that he fully supported the President's action.

He said the move in no way suggested any lessening of U.S. concern about illegal Soviet activities in Afghanistan, Poland, or anywhere else.

He said Soviet policy appears to conform to a basic and ominous objective, to strike at countries on or near the vital resources lines of the West.

Despite Mr. Haig's support for the embargo decision Washington was again rife yesterday with reports of differences of opinion between the White House and the Secretary of State.

These mostly stemmed from Mr. Haig's assertion on Saturday that if the Soviet Union invaded Poland the U.S. would respond with an "across the board" trade embargo.

Several White House officials, including Mr. Richard Allen, the head of the National Security Council, stressed that such a retaliation was only one of the options the President had available.

Although the officials said there was no policy disagreement between the Secretary of State and the President on the issue, the implication in guarded statements from the White House, later re-echoed by the State Department, was that Mr. Haig again seemed to be pre-empting Presidential foreign policy prerogatives.

Grenada threatens to quit IMF

BY CANUTE JAMES IN HAVANA

GRENADA is to announce formally its withdrawal from the International Monetary Fund and the World Bank within a fortnight, unless both institutions change their attitudes to the country, Mr. Kenrick Radix, the island's Foreign Minister, said in Havana on Monday.

The threat of withdrawal follows charges by the Government that the Fund and the bank were interfering in the island's economic affairs and using their influence to prevent aid for the Caribbean island from other sources.

Speaking to a conference of economists from several developing countries, Mr. Radix charged that the IMF had recently deprived his country of an extended fund facility and a compensatory financing facility, totalling $19m (£8.7m).

Mr. Radix said that three days before the package was to go before the IMF board on April 13, M. Jacques de Larosiere gave his approval.

However, a United States representative to the fund, whom Mr. Radix did not name, said the day before the board meeting that the island did not have a balance of payments problem, and so did not qualify for assistance.

It is considered highly unusual for the board not to approve agreements between the Fund and member countries after they have been given the green light by the managing director.

The Grenadian minister accused the World Bank of secretly circulating documents to invitees to a recent meeting, convened in Brussels by the EEC Commission, saying that the island's international airport was not a feasible proposal.

The island was seeking $30m from the invited countries to complete an international airport which is being built with Cuban assistance.

Grenada says the airport is needed to improve its tourism, but the U.S. has argued that it could be used as a transhipment point for Cuban troops.

Hugh O'Shaughnessy writes: In London it is not thought that the Grenadian move would cause the IMF or the World Bank to change their stance towards the island. Though the Soviet Union may not be keen to contract further commitments in foreign exchange for Grenada on top of their existing burdensome aid to Cuba, the small size of the economy — Grenada has less than 150,000 inhabitants — may persuade them to help.

Reagan's nominees approved

BY OUR WASHINGTON CORRESPONDENT

THE SENATE Foreign Relations Committee yesterday approved, by 14 votes to none, a batch of key Reagan Administration appointments, held up for weeks in a one-man delaying campaign waged by Senator Jesse Helms, the Right-wing standard bearer.

The nominations are likely to be dealt with quickly on the Senate floor. They include those of Mr. Chester Crocker to run African affairs, Mr. Myer Rashish and Mr. Robert Hormats to run economic and business affairs, all at the State Department.

Senator Helms, the self-appointed guardian of the Administration's conservative credo, objected that these men and others were too middle-of-the-road. Some had served in previous Republican Administrations under people like Dr. Henry Kissinger and did not reflect the President's thinking.

Senator Helms's tactics finaly backfired, losing him even the sufferance of the malleable chairman of the Foreign Relations Committee, Senator Charles Percy, who said this week the committee would meet night and day if necessary to act on the Administration's nominations.

The Right-wing Republican Senator's special ploy has been to deluge nominees in a blizzard of questions submitted in writing partly because Senator Helms was always absent, being more occupied with presiding over the Agriculture Committee, and partly because this procedure required the nominees to take extra time to reply. On Monday Mr. Crocker was given a list of no less than 107 queries and had to burn the midnight oil to answer them by yesterday.

The fact that it will be May before and Administration that took office in January can get its key sub-Cabinet foreign policy team in place has had serious consequences. It has created general inertia in foreign policy, and in some cases positive damage.

The Republican leadership and the White House have treated Senator Helms with kid gloves, knowing the grass-roots conservative power he could wield against them. This week Senator Helms said he would have dropped his dilatory tactics if the White House had simply asked him to.

President Napoleon Duarte

Salvador peace hopes rise

By Hugh O'Shaughnessy in London and William Chislett in Mexico City

HOPES are rising that negotiations will start soon to end hostilities in El Salvador.

Despite much confusion as peace bids are launched from various capitals, key personalities within President Napoleon Duarte's ruling Salvadorean junta now appear more willing to negotiate with the opposition Democratic Revolutionary Front. Sr. Fidel Chavez Mena, the junta's Foreign Minister, was present in Mexico City this month when Venezuelan and Mexican negotiators tried to bring the two sides together.

Progress however is slow because Mexico, which sympathises with the insurgents, feels that the Christian Democratic Government in Caracas is too identified with President Duarte.

The insurgent Left, including elements among the guerrillas also see an advantage in prompt talks. A leading guerrilla Commandante Ana Maria, said last week: "The revolutionaries . . . hope to contribute to the pacification of the region.

Some developments may emerge from the meeting of party leaders of the Socialist International in Amsterdam today. The president, Herr Willy Brandt, who has taken a leading role in the peace process, will be at the meeting as will Sr. Guillermo Manuel Ungo, the Social Democratic leader of the Democratic Revolutionary Front.

Washington, which was seeking an outright military victory for the Salvadorean junta, is now more committed to a negotiated solution.

Indonesia signs $1bn refinery deal with Spain

BY RICHARD COWPER IN JAKARTA

INDONESIA'S state-owned oil company Pertamina yesterday signed a long-delayed contract worth about $1bn (£434m) with two Spanish engineering companies for the construction of an extension to the country's oil refinery at Dumai in central Sumatra.

The 62,000-barrel-per-day hydrocracker was originally expected to cost $750m, but experts say that the price may be nearer $1bn.

The contract was signed with Technicas Reunidas and Centunion, both of Spain.

The two had, in principle, been earmarked to get the construction contract over 12 months ago, but the project ran into serious financing difficulties.

It was originally to be operated on a joint venture basis between a Spanish-Taiwanese consortium and Pertamina, but financing proved difficult to get without government guarantees.

In an attempt to start work soon on the hydrocracker, the Indonesian Government has accepted responsibility for financing and the refinery will be operated wholly by Pertamina.

The project has proved controversial in part because of its soaring cost and also because some officials at Pertamina had doubts over the technical experience of those chosen to build it.

Details of the financing still have to be sorted out.

Indonesia is likely to accept a $290m export credit offered by Banco Exterior de Espana, though it is not clear whether the Government, awash with a record $12bn in reserves, will want to go to the market for a commercial loan or whether it will come out of existing Government funds.

Austria last year offered Indonesia $150m in export credits provided that an Austrian company Voest Alpine won part of the overall contract.

United Oil Products, a subsidiary of Signal of the U.S. is expected to be asked to design the hydrocracker.

Fairey wins £3m U.S. Navy order

By Our World Trade Staff

FAIREY Allday Marine, the Southampton unit in the Fairey Holdings group, consolidated its position as a major small boats manufacturer yesterday when it announced an order from the U.S. Navy for 47 combat support boats worth £3m.

This brings U.S. Navy orders for the vessel, an eight-metre welded aluminium boat with a shallow draught compatible with military bridging operations, to 149 and total orders to 220.

Deliveries of vessels, under the two orders to the U.S. Navy, started last November. Against the normal trend in British industry, Fairey Allday Marine has doubled its workforce to 500 over the last two years.

● Hawker Siddeley Canada has received orders worth C$12.08m (£4.8m) for commercial and military jet engine components. One, for C$2.83m, came from Pratt and Whitney of Canada, and another, from Pratt and Whitney in Hartford, Connecticut, came to C$9.25m.

Tokyo attracts integrated circuits makers

BY RICHARD C. HANSON IN TOKYO

FIVE YEARS after Japan formally opened its doors to foreign investment in the strategically important integrated circuits industry, foreign companies are at last lining up to enter the country.

In the past year, at least five U.S. companies and one European chip maker have revealed plans to challenge the Japanese IC makers in their own backyard.

Until now, only Texas Instruments has flourished in Japan, having established itself in the 1960s at a time when foreign investments were still subject to "case-by-case" approval by the government.

Although the main barriers to foreign investment were lifted in 1975, movement by many Western companies was prompted only by the alarming realisation of how quickly Japan was advancing on ICs.

The main participants in the new foreign "invasion" are:

● Motorola, in a joint manufacturing venture with an electronics company named Toko, plans to tap the fast-developing market for chips used in car electronics.

Initial plans call for production at an existing plant in the Toko group. Within five years, Motorola plans to build its own factory. Two years ago the company established a chip design centre to serve the Japanese market.

● IBM Japan, a subsidiary of the international computer giant, has announced that it will switch to manufacturing chips for its own use in Japan. At present, it imports chips from other IBM sources.

● Intel Corporation's Japanese subsidiary is building its own design centre, a move that is expected to lead eventually to manufacturing in Japan.

● Fairchild Camera and Instruments and Advanced Micro Device have both indicated their intention to establish plants in Japan by about 1983. Mostek is believed to be mapping a similar course.

● Siemens, the West German electronics giant, is the lone contender from Europe. A year ago, it formed a 50-50 joint venture, named Fuji Electronics with Fuji Electric, a major electrical company in which Siemens is the second largest shareholder. The joint venture now sells Siemens electronic devices and ICs. It is considering a move into production of certain lines at a subsidiary of Fuji Electric.

The foreign companies arriving in Japan seem to share the common perception that in order to sell chips of the quality expected by Japanese users, they have to produce them in Japan.

Texas Instruments, whose Japanese presence has swollen to four manufacturing plants, says bluntly that the quality of the chips it would import from elsewhere is generally lower because customers outside of Japan are not as demanding.

Other companies cite the problems of meeting specific customers' needs from outside Japan, communication being one major problem.

Motorola takes the argument for producing in Japan one step further. If Western chip makers fail to compete with the Japanese under Japanese standards, they risk being undermined eventually in the U.S. and European markets.

The inroads already made by Japanese companies overseas would appear to justify such fears.

Australia tries to remove curbs on Asean airlines

BY COLIN CHAPMAN IN SYDNEY

AUSTRALIA is negotiating the abolition of restrictions which have prevented Singapore Airlines, Thai International and other South-East Asian airlines from flying passengers between Britain and Australia at the same fares as British Airways and Qantas.

The move coincides with a change in management policy at Qantas, Australia's national airline, to pursue competitive fares strategy more in tune with market forces than the protectionist stance of the previous decade.

The restrictions on Asean airlines preventing them from selling the cheapest advance purchase fares from Australia to Britain and Europe has been a major source of friction in trade talks between Canberra and Singapore, and has led to personal complaints from Mr. Lee Kuan Yew, the Prime Minister, on more than one occasion.

Anyone travelling between Europe and Australia on any carrier other than British Airways, Lufthansa, KLM or Qantas has to pay £100 more. The Asean countries have complained bitterly that this restrictive practice damages not only their airlines but also denies them legitimate access to the income benefits of tourism.

The fact that many South East Asian airlines have broken Australian law to discount fares has not moderated the criticism of Australia.

Canberra's proposals are due to be put to a special conference on fares between Australia and Britain to be held in London next week, and Mr. Keith Hamilton, the chief executive of Qantas, confirmed yesterday that the Australian airline supported giving Asian carriers access to everything.

British Airways also appears to be on the way to withdrawing previous objections to a free market.

Under the new package, the carriers are expected to agree that a new excursion return fare of just under £600 should be introduced.

This would be over £100 more than the lowest off-peak Apex excursion fare.

Japan car exports to U.S. and EEC show fall

BY OUR WORLD TRADE STAFF

JAPANESE car exports to the U.S. and the EEC last month were respectively 26.4 per cent and 10.8 per cent lower than in March 1980, the Japan Automobile Manufacturers' Association said yesterday.

But the total of Japanese car exports in the fiscal year to last March was 25 per cent higher than in the year to March 1980 at 6.15m units.

The figures provide the statistical underpinning for the intense diplomatic effort aimed at restraining Japanese exports. In this connection, Mr. Bill Brock, President Reagan's Special Trade Representative is expected in Tokyo today.

Later this week, an official Government statement is expected, setting out Japanese sales targets in the U.S. In Washington, however, Administration officials have been saying that curbs are needed for three years, not just one, as Tokyo is apparently proposing.

The wider ramifications of any such arrangement were yesterday taken up in Tokyo by Mme Simone Veil, President of the European Parliament. Europe does not want to suffer the consequences of a Japan-U.S. deal, she said. Any measures taken in favour of the U.S. must also be taken in favour of Europe.

But the biggest market for Japanese cars is the U.S., which took 171,363 units in March. EEC imports were 75,637 cars. The lower deliveries in these two markets, and that of the Middle East, were offset by a 42 per cent rise in South East Asia, an 82.5 per cent rise in Africa and a 93.1 per cent rise in South America.

Mexico-U.S. friction intensifies

By William Chislett in Mexico City

PROSPECTS of a serious U.S.-Mexico trade confrontation strengthened yesterday as it became known that Washington is considering a tougher line on the benefits that Mexico enjoys on its exports as a developing country.

In its next review of trade under the Generalised System of Preferences (GSP), the scheme designed to promote exports of developing countries to the industrialised world, the Reagan Administration is likely to cut the list of products for which Mexico qualifies for duty-free entry.

The U.S. move comes as Mexico considers a major switch of Mexican imports away from the U.S. in favour of other Western countries and Japan if Washington does not show more understanding for its oil-rich neighbour.

The hardening attitudes threaten to provoke a fresh storm in the relations between the two countries

The friction has arisen only five weeks before President Jose Lopez Portillo and President Reagan meet.

Last year, two items on the list of 1,300 products for which Mexico qualifies for GSP treatment were removed. They were mangos and springs for cars.

Lurgi wins £31.9m Soviet deal

FRANKFURT—Lurgi, the West German engineering contractor in the Metallgesellschaft group, has won a DM 150m (£31.9m) order from Techmashimport of Moscow for the construction of a potassium chloride plant at Beresniki near the Urals.

The plant, which is scheduled to come on stream by the end of 1984, will produce 2m tonnes of pure potassium chloride a year. This is a contribution to the Soviet Union's efforts to increase fertiliser production, Lurgi noted.

● Zimmer, the Frankfurt subsidiary of Davy Corporation of London, is to build a polyamide carpet yarn plant in the Humenne region of Czechoslovakia. The order, from Technopol, of Bratislava, a Czechoslovak foreign trade corporation, is worth DM 30m.

The plant will have a capacity of 14,000 tonnes a year, and is planned to start operations in 1982. Zimmer will supply the technology and equipment and be responsible for the construction and commissioning.

Zimmer was awarded a polyamide tyre cord plant contract by Technopol during the 1960s.

Agencies

EEC to provide more aid for Zimbabwe

BY OUR CORRESPONDENT IN BULAWAYO

ZIMBABWE IS to receive $195m (£84.7m) over the next three years from the EEC for reconstruction and resettlement programmes, Mr. Ivor Richard, the EEC's Commissioner for Education and Social Affairs said in Bulawayo.

Speaking at the opening of Zimbabwe's annual International Trade Fair, Mr. Richard said the aid would be provided under the Lomé Convention.

The aid is additional to the $40m Zimbabwe has already received from the EEC since it became eligible for Lomé support on January 1, 1980.

Zimbabwe is to lose a preferential trade agreement it has enjoyed with South Africa in March next year and Mr. Richard said a special allowance will be made for this loss under the Lomé Aid Agreement.

Zimbabwean exporters will also be helped to sell their goods in Europe, Mr. Richard added. These will have "free and unrestricted access to the EEC for their exporters," Mr. Richard said.

"In the case of sugar and beef, special quota arrangements have been agreed for Zimbabwe to export to the EEC, which will enable Zimbabwe to export to Europe on privileged terms," he said.

About one-third of Zimbabwe's total exports go to EEC markets and the Community is the source of more than one quarter of Zimbabwe's direct imports.

Maize producers will also get special EEC privileges. Mr. Richard said that under the Community's food security programme, Zimbabwe maize exporters will secure a convertible currency return from the EEC—a much needed assurance to farmers in a country with dwindling foreign exchange reserves.

Barclays reviews its own management structure

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

BARCLAYS BANK has launched a major internal review of its UK organisation and management structure and has sought help from McKinsey, the international consulting company.

The review coincides with the appointment today of Mr. Timothy Bevan as chairman of the Barclays group. He takes over from Sir Anthony Tuke, who has been chairman of Barclays for the past seven years.

Mr. Bevan revealed yesterday that he is planning a number of significant changes at Barclays during his term of office, which is expected to run for another seven years.

"We have got to get our act together better than we have got it now," he said. "The basic geographic organisation system which we have is right. But I think there will have to be more dotted lines on products."

Mr. Bevan said Barclays might become "slightly more structured and less opportunistic. We have to find a way of demonstrating that Barclays is generally much more of a multinational effort. I think it is wrong for an international bank that we do not have any foreigners on the Board.

The new chairman is concerned about Barclays' strength in a number of important European markets. "I am not at all sure that we have done as well as we should have in continental Europe, though in France and Italy we have done very well indeed. I would like to see us more of a force in Germany," he said.

Barclays will not seek to develop the continental markets by sending in large numbers of its UK staff.

"The idea of sending an Englishman out to bash them over the head is simply ludicrous," said Mr. Bevan. His own researches had revealed that very few senior members of the bank "are capable of giving a five-minute speech in French."

Mr. Bevan, who is a barrister by training, said that Barclays will be placing more emphasis than in the past on the recruitment of graduates and professionals such as accountants. "However," he said, "in the main, we will remain a generalist organisation."

Turning to the UK market, Mr. Bevan said Barclays had two objectives: "We have to provide a better corporate service, and we have to solve the problem of the great unbanked."

He suggested that the banks had been guilty of some muddled thinking in the latter area. "We have been offering to sell weekly-paid people a Rolls-Royce when they really need a Mini-Metro."

Mr. Bevan cited cost control in the UK clearing bank as possibly his own greatest challenge.

Investment ruling to help small companies

By Tim Dickson

THE Stock Exchange has approved changes in the listing requirements for new investment trusts and investment companies to encourage greater investment in small and unquoted companies.

Invesment trusts, which are required to set out their investment policy before they are admitted to the Stock Exchange list, will be allowed to put up to 25 per cent of their assets (before deducting borrowings) into unlisted securities and holdings in "associated companies." The previous limit was 15 per cent.

Furthermore, securities quoted on the NASDAQ system in the U.S. will be treated as listed securities for this purpose.

A potentially more far-reaching change is that the Stock Exchange will be prepared to consider listings from newly formed and existing investment companies which do not conform to investment trust status.

Among the conditions for listing laid down by the Stock Exchange is a stipulation that the new companies cannot assume management control of their underlying investment.

Normally a reasonable spread of investments will be expected, with a new holding limited to not more than 20 per cent of total funds.

In the event of a narrow spread of investments, companies will be expected to identify the initial investments to be taken (which should account for a majority of the fund) and describe them fully in the prospectus.

The Stock Exchange will also seek satisfactory experience in the management company and, as with authorised investment trusts, expect the policy statement set out in the prospectus to be followed for at least three years.

Investments will not have to be limited to "shares and securities" as defined by the 1970 Income and Corporation Taxes Act (section 359) and may take the form of partnership arrangements, participations, joint ventures and other forms of non-corporate investment.

The impetus to the relaxation of the investment trust listing requirements came largely from the Unlisted Securities Market, which began trading last November.

Norway cautious on joint use of N. Sea pipeline

BY SUE CAMERON

HOPES THAT Norway might allow gas from the huge Statfjord field to be sent through the UK's planned £2.7bn North Sea pipeline on a temporary basis receded yesterday after talks between Norwegian and British Energy Ministers.

Mr. Harald Norvik, the Norwegian Energy Secretary, gave a distinctly cool reception to the idea. He hinted that Norway might prefer to cut back oil production from the Statfjord field rather than allow the associated gas to be sent through the UK gas gathering system.

Mr. Norvik, who is on a five-day visit to Britain, had discussions with Mr. Hamish Gray, the Minister of State for Energy, yesterday morning. At a Press conference afterwards, Mr. Gray said the talks had concerned the gas gathering pipelines that both countries are planning to build in the North Sea.

The Norwegian scheme will involve sending a line across the deep trench that cuts into the seabed near the Norwegian coast. It will, therefore, require the most advanced technology. But it must be finished by 1985-1986, the deadline after which gas cannot be reinjected into the Statfjord field without damaging the reservoir.

Some UK experts believe Norway will not be able to complete the line on time. They believe it would be to the advantage of both the UK and Norway, if the latter agreed to put Statfjord gas through the British pipeline until the Norwegian one is ready.

Doubts have already been expressed as to whether there will be enough gas going into the UK pipeline from UK fields to make the British scheme viable in the early stages. British Energy Ministers are known to have tried hard to obtain supplies of Norwegian Statfjord gas for the new line.

Mr. Norvik said yesterday that he was confident there would be "enough time" to build the Norwegian line and the accompanying gas processing plants.

If the Norwegian line were not completed on time, the possibility of putting gas from the Norwegian sector of the Statfjord field through the UK gas gathering system "could be of interest."

But he said that the UK pipeline would not be the only option. Norway could decide to cut back Statfjord oil—and gas—production until the new line was completed, even though "it would cost us money to reduce production."

Rescue plan suggested for table cutlery

By James McDonald

A PLAN to save the British table cutlery industry from extinction, including the creation of one trade association to replace three existing bodies an dthe patrial protection of the home market, was suggested yesterday.

The industry has shrunk from about 25,000 workers 30 years ago to about 4,000 under pressure from low-cost imports, mainly from the Far East.

The plan was announced in Sheffield by Mr. John Price, president of the Federation of British Cutlery Manufacturers, which he founded in 1978.

Mr. Price has been critical of the importing practices of some members of the much older trade association, the Cutlery and Silverware Association.

He proposes that his federation and the association should be wound up and thta a new Federation of British Cutlers and Silversmiths be formed to be the one voice for the industry, supported by the various other specialist trade associations.

The Cutlery and Allied Trades Research Association should be integrated into the new trade association to become part of the industry's headquarters.

In his plan called, First Survival Then Growth, Mr. Price concedes that by being uncompromising and militant he has caused real or imagined offence to some established members of the industry.

If the principle of restructuring the trade bodies into one is accepted and executed, he offers to withdraw from office "if it is felt to be in the overall interest of the British cutlery industry."

Government support for the industry was essential for the plan. Mr. Price asks the Department of Industry to call the trade together for consultation.

A "Plimsoll line" should be afforded to the industry by the Government. "Not less than 50 per cent of the UK table cutlery market should be available to UK manufacturers by value, or not less than one-third of the volume of table cutlery should be available to UK manufacturers, whichever is the greater."

It is suggested that a figure of £1 for a seven-piece place setting could be established for imports, above which duties or control would apply.

Safety ruling urged on lightweight tyre

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CAR manufacturers have asked the Department of Transport to clarify regulations covering the use of lightweight spare tyres.

These tyres are designed to be used only temporarily to enable a motorist to get home or to the nearest service station at a modest speed should a normal tyre be punctured.

The tyres are becoming popular among car makers because they save weight and space. Saab saves 12 lb by using a Michelin-made spare in its 900 saloon and has been able to increase fuel tank and boot capacity.

The tyres are smaller in section and diameter than normal tyres and the Royal Society for the Prevention of Accidents has said they appear to violate Britain's strict vehicle construction and use regulations.

The Association of Chief Police Officers' traffic committee said: "On the face of it, these tyres seem to be illegal in this country at present."

Both Saab and Renault, which imports a version of the spare fitted to the Fuego model, took counsel's advice about whether the tyres complied with the UK's vehicle "construction and use" regulations. They are satisfied the tyres do not infringe the law.

Saab and Renault said yesterday that the tyres presented no threat to road safety when used under controlled conditions—which include a restriction on maximum speed (usually 50 to 60 mph).

The Society of Motor Manufacturers and Traders has asked the Department of Transport to clear up the situation.

Monopolies check on £10m Reed deal

BY ALAN PIKE

THE PROPOSED sale of a Midlands newspaper group to Reed International by Mr. Rupert Murdoch's News International was yesterday referred to the Monopolies and Mergers Commission.

Mr. John Biffen, the Trade Secretary, announced reference of the proposed sale of the Berrow's Organisation under the 1973 Fair Trading Act. The £10.6m transfer of Berrow's to Reed International, owners of Mirror Group newspapers, was agreed last month.

Berrows publishes the Evening News in Worcester and a large number of weekly titles and freesheets in the Midlands and South-West. Reed, although very prominent in the national newspaper and magazine fields, has fewer local newspapers. Reference to the Monopolies Commission will have come as little surprise to either of the newspaper groups involved.

Under the 1973 Act, the Trade Secretary may approve the transfer of ownership of a newspaper without an investigation only in cases of urgency where a publication is uneconomic. Since this does not apply in Berrow's case, reference became automatic, and is not intended to prejudge the public interest issues.

The reference will be the twelfth newspaper merger considered by the commission since the Monopolies and Mergers Act came into force in 1965. Unless there are special reasons for delay, the commission has to report within three months.

Mr. David Churchill, Consumer Affairs correspondent of the Financial Times, will be among the panel members appointed to conduct the investigation. The others are Mr. J. Clement Jones, former editor of the Wolverhampton Express and Star and Dr. John Stevenson, senior lecturer in history at Sheffield University.

Electronic mail fight in Post Office

BY JASON CRISP

BRITISH TELECOM has started to compete with the postal side of the Post Office to supply public international electronic mail services even though it is another five months before the two are legally split.

British Telecom is setting up 13 "Bureaufax" offices in the UK. A document handed in at one of the offices can be transmitted by high speed facsimile to up to 15 countries including the U.S., (where RCA is the record carrier for the service) Switzerland, Australia, Hong Kong and Taiwan.

The service directly rivals Intelpost, a similar facsimile operation set up by the postal business last year. Intelpost operates from 18 UK post offices and has links with New York and Washington, several Canadian cities and Amsterdam.

There is likely to be a fight between the two for links with other European countries where telecommunications and posts are usually under one administration.

The Post Office is being split into two corporations — telecommunications, and posts with Giro

Both services use high speed facsimile capable of sending a page of A4 in less than one minute.

Pahari miniature fetches £25,000

SALEROOM

BY ANTHONY THORNCROFT

A RECORD auction price for a Pahari miniature of £25,000 (plus an extra 11.5 per cent in premium and VAT) was paid by Colnaghi yesterday at Sotheby's for a miniature produced in Basohli around 1660 of An Excited Wife Greeting Krishna. It was the highlight of an auction of oriental miniatures and manuscripts. A Himalayan blue-throated barbet depicted on a flowering bush by the Mughal artist Mansur made £11,000.

The National Portrait Gallery, bidding through Leggatt, paid £12,500 in a sales of English and Continental miniatures for one of George IV when Prince of Wales. It was painted in 1792 by Richard Cosway, and the price was way above forecast. A miniature by John Smart of Mrs. John Musters of Colwick made £7,000; another by Smart of Captain George Oakes, £6,500; and a Richard Cross miniature of Maria Waldegrave, Duchess of Gloucester, sold for £6,000.

In the sale of English pottery a rare Staffordshire model of a stallion sold for £1,300 and a chocolate pot and cover of 1745 realised £900. At Phillips a French diamond double clip brooch made by J. Chaumet and formerly the property of the American singer Jeanne Guinnevere, who became Countess of Midleton, sold for £18,000, while at Christie's South Kensington a collection of about 1,000 pre-grouping railway tickets, formed by 1900, sold for £1,500.

Drop in platform orders hits offshore oil industry

Ray Dafter looks at the Government's latest development report

BRITAIN'S offshore oil supply industry has been hit by a drop in platform orders from North Sea operators, according to a Government report published yesterday.

Oil companies working on the UK Continental Shelf placed orders for equipment and services worth £2.4bn last year compared with almost £2.7bn the year before. The supply industry's share of orders fell to 71 per cent against a record 79 per cent in 1979.

The Department of Energy, in its report on oil and gas statistics, known as the Brown Book, said the reduction in total orders and UK share of work was mainly due to the placing of fewer production platform orders. Even so, the £2.4bn investment represented about 6 per cent of total UK investment and brought the cumulative total of offshore spending to an estimated £21bn.

The report highlights other economic implications of growing oil and gas production including:

● Oil and gas output last year accounted for almost 3 per cent of Gross National Product.

● The value of oil sold in 1980 is estimated to have been £8.9bn. In addition, natural gas sales reached £600m.

● The total tax take in the 1980-81 financial year was £3.8bn against £2.3bn in 1979-80 and £562m in the previous 12 months.

● The number employed offshore by the oil and gas industry has risen to about 22,000. The Department said the 1979 estimate of 10,500 offshore workers excluded those employed on service vessels and other supporting ships and barges. The increase in employment, reflected additional exploration and development activity.

● A total of 176 offshore exploration, appraisal and development wells were drilled last year compared with 150 in 1979.

The 56-page report shows that North Sea operations are rapidly becoming more expensive. The average cost of producing oil from fields brought on stream before the end of last year is put at $11 a barrel. For fields under development the cost is likely to be nearer $14 a barrel. These estimates—which exclude royalties, taxes and abortive exploration costs—can be compared with the very low costs, counted in tens of cents a barrel, associated with the production of oil from some Middle East fields.

The statistics show that the North Sea is potentially one of the most dangerous oil exploration and production areas in the world. Four offshore workers died on the UK Continental Shelf last year, six fewer than in 1979.

But the number of serious accidents rose to 45, the highest level since 1976. There were 118 dangerous occurrences offshore last year against 93 in 1979 and 89 in the previous year. Such occurrences, which often arise from drilling, maintenance and crane operations are giving the Department "cause for concern."

The number of minor oil spillages from offshore installations is also increasing. Last year 86 incidents were reported to the Energy Department. About 1,120 tonnes of oil was involved.

A pipeline break between the Dunlin and Thistle fields accounted for 980 tonnes. While the number of incidents is increasing the average amount of oil involved in each incident is being reduced, the report says.

Development of the Oil and Gas Reserves of the United Kingdom; Dept. of Energy; SO £4.50.

ORDERS* PLACED FOR OFFSHORE GOODS AND SERVICES (UK SECTOR)

1980 VALUE OF ORDERS IN £M (1979 IN BRACKETS)

	Total	UK share	UK %
Exploration	254 (77)	86 (31)	34 (40)
Development	1,599 (2,042)	1,249 (1,685)	78 (83)
Production (maintenance)	81 (146)	70 (144)	86 (91)
General services	446 (414)	274 (262)	61 (63)
Total	2,380 (2,679)	1,679 (2,111)	71 (79)

* Orders over £100,000 except for maintenance category where orders worth over £50,000 were counted.

TAXES AND ROYALTIES ATTRIBUTABLE TO UK OIL AND GAS

Financial year	Royalties	Petroleum Revenue Tax	Corporation Tax	TOTAL
1976 77	71	—	10	81
1977-78	228	—	10	238
1978-79	289	183	90	562
1979-80	628	1,435	266	2,329
1980-81 (provisional)	940	2,420	480	3,840

Proposals for better solicitors' service

BY A. H. HERMANN, LEGAL CORRESPONDENT

LORD HAILSHAM, the Lord Chancellor, yesterday put proposals before Parliament to secure better service from solicitors.

The proposals are contained in the sixth annual report of the lay observer, Major-General J. G. R. Allen, whose job is to investigate allegations about the Law Society's treatment of complaints against solicitors.

The main proposals are that the Law Society should introduce professional standards and that arbitration should be available for small claims resulting from allegations of solicitors' negligence.

The lay observer says that the Law Society's machinery for dealing with complaints has significantly improved, but that the society needs to give fuller explanations for its decisions.

The most frequent cause of dissatisfaction with the society's treatment of complaints is refusal to investigate allegations of incompetence or negligence. The society justifies itself by saying that it has no power to award compensation and no fair means of testing conflicting evidence.

The society suggests that the complainant should seek advice from another solicitor, possibly a member of one of the negligence panels organised by the society, but the advice to go to yet another solicitor is not palatable to a client who has had a bad experience with the first.

The lay observer suggests that the Law Society itself should arbitrate on small claims from individual clients, perhaps with the prior consent of the parties.

The most frequent causes of complaint were delays and lack of information, particularly in cases of structural damage to houses, of personal injury or negligent medical treatment.

In each of these cases complaints had been going on for more than five years—and in one case for more than 10 years—and have still not come to trial. The lay observer thought that some solicitors may be taking on cases which are too difficult.

Unnecessary delays exist particularly in the administration of estates, which yielded the greatest number of complaints.

The lay observer feels that the duties of personal representatives to account to beneficiaries should be better defined by statute and that the Law Society should consider the introduction of a professional standard governing the duties of a solicitor acting in this capacity.

The absence of adequate estimates of legal costs continues to be a cause of much worry. The lay observer believes that clients need more specific estimates.

Call for tighter controls on paracetamol

BY SUE CAMERON, CHEMICALS CORRESPONDENT

TIGHTER controls on sales of the pain-killing drug paracetamol are urged in Pharmaceutical Journal, official publication of the Pharmaceutical Society of Great Britain.

Paracetamol is a standard painkiller and can be sold over the counter. The Pharmaceutical Society has told the Government that the drug should be sold in chemists' shops only.

The society also wants to see stronger warnings about the dangers of taking an overdose on paracetamol packets. The journal has accused the Government of ignoring a 1978 recommendation by the committee on the Review of Medicines to tighten up wording of warning labels on drugs.

At present paracetamol labels say merely "Do not exceed the stated dose." The committee suggested labels should say "Do not exceed the stated dose—an overdose is dangerous: medical attention should be sought immediately.

Paracetamol—like any drug—is poisonous if an overdose is taken.

Glass manufacturers to boost recycling

FINANCIAL TIMES REPORTER

THE GLASS Manufacturers Federation plans to double its glass recycling capacity to handle 250,000 tonnes a year by 1984, saving the equivalent of 7½m gallons of oil worth an estimated £3.3m a year at today's prices.

Announcing a major expansion of the bottle bank scheme, which already operates in 200 towns and cities, Mr. John Small, vice president of the federation said: "We have always believed that if recycling is to be a success it must be of practical advantage to all those concerned. To local authorities it offers the opportunity for more efficient waste management; to the glass industry and its customers, energy savings; and to the community at large the more effective use of national resources."

He explained that as part of the expansion programme plans were being finalised by United Glass to build a £750,000 glass recycling centre at Harlow, Essex, which is due to open by next February.

Britain to monitor radioactivity leaks from France

BY DAVID FISHLOCK, SCIENCE EDITOR

THE GOVERNMENT is to keep a closer watch on leaks of radioactivity from French nuclear power stations along the English Channel.

Stations for monitoring airborne radiation will be set up by the National Radiological Protection Board this summer in London, Brighton, and the channel.

Focus of interest is the 18 pressurised water reactors operating, under construction or planned between Dunkirk and the Cherbourg peninsula, together with the rapidly expanding spent fuel reprocessing factory near Cherbourg.

The first of the French PWRs, at Gravelines near Dunkirk, are already operating. Twelve of the PWRs planned for this coast will be bigger than the PWR planned for Sizewell B on the Suffolk coast, for which a public inquiry is to be held next year.

Although Britain is normally downwind of the French PWRs, little interest has been shown by British organisations planning to oppose Sizewell B.

The French reactors are the same type as planned for Sizewell B, designed by Westinghouse Electric. All 18 are expected to be in operation before Sizewell B is likely to be commissioned, in the late 1980s.

France has set up its own elaborate atmospheric monitoring system for radioactivity. It has also been negotiating agreements with Belgium and West Germany on the monitoring of reactors near borders.

The UK monitoring stations will be an extension of the existing nationwide network of the National Radiological Protection Board, the Government's "watchdog."

The board, which reports to the Department of Health, expects to be given responsibility by the Department of Trade for the approval of all consumer products making use of radioactivity.

Typical products include watches and other instruments which use radio-luminescent materials in their displays, and certain types of smoke detector.

Hitherto its scientists have informally advised manufacturers about the safety of such products, but industry has not been legally obliged to take their advice.

Aviation policies to favour competition

By Michael Donne, Aerospace Correspondent

GREATER competition in UK air transport, with market forces setting or influencing fare levels, will be the keynote of the future route licensing policies of the Civil Aviation Authority.

In a long statement on its proposed policies, which the CAA is required to set out under the 1980 Civil Aviation Act, the authority says that its overall objective will be "to favour proposals that widen the range of benefits enjoyed by passengers and shippers."

At the same time, it will try to ensure that those benefits are provided by "financially healthy airlines," which will be given "a reasonable prospect of profitable operation."

The CAA's new policy is to come into effect on May 22. From that date, its attitude in approving or rejecting licences for new air routes, or for increased fares, will be governed by the new objectives.

These include some significant changes from past policy. One is that routes will no longer be awarded to airlines under the old "spheres of influence" rules, which allocated certain parts of the globe to British Airways and others to British Caledonian.

Any British airline will be able to apply for routes to any destination. While the CAA will not arbitrarily transfer routes from one airline to another, it will feel free to introduce competitive services by more than one British airline on any route if it feels the travelling public could benefit, and where there is a reasonable prospect for profitable operation.

The aim will be to favour competing British services where these result in a wider choice (of airport or type of service) for the user, greater efficiency by the airlines (especially in terms of cheaper fares) and the stimulation of ideas by the airline already flying the route.

An airline which holds a licence will not necessarily be guaranteed the route for ever. It will lose the licence if it does not show that it is flying the route in question regularly, and efficiently.

The CAA also says that wherever possible it will allow market forces to set or influence the levels of fares.

'Scottish jobless to reach 320,000'

FINANCIAL TIMES REPORTER

UNEMPLOYMENT IN Scotland will rise to over 300,000 in June, and to more than 320,000 by the end of the year from 287,000, according to the quarterly economic report on the Scottish economy, by the Fraser of Allander Institute of the University of Strathclyde in Glasgow.

Mr. David Bell, editor of the report, said yesterday that there would be a bottoming out of the recession during the next few months, but no significant upturn. The reason for the bottoming out, he explained, was that the reduction in stocks was beginning to level off or should do so over the next few months. While the end of the recession might be approaching, there was no evidence so far of a sustained or substantial recovery.

But Mr. Bell said he did not think that the outlook for investment, exports or consumption was good.

The Government could provide a direct stimulus to the economy by removing the financial constraints on the investment plans of public sector corporations, or by encouraging the private sector to participate in such plans. Whatever path was chosen unemployment would continue to rise in the foreseeable future.

If no signs of a change were forthcoming by September or October Mrs. Thatcher could take action to stimulate the economy by cutting interest rates by between 2 per cent and 4 per cent, the report said.

Mr. Bell said that 50 per cent fewer people would be trying to get jobs in 1987-88, which would make it easier for school leavers, but many of them today could be into their twenties before they got their first permanent job. Manufacturing industry in Scotland was employing only 500,000 today compared with 700,000 at the beginning of the 1970s.

Pointers to the depressed state of the Scottish economy, are lower domestic demand for goods and low order books, with exports limited by uncompetitive prices, a report which Mr. Bell describes as "marginally less gloomy than usual."

Brewer boosts capacity

BY GARETH GRIFFITHS

THE West London brewer, Fuller Smith and Turner, has opened a £3.5m extension to its Chiswick brewery which will increase brewing capacity by 50 per cent.

Fuller has benefited from the revival of traditional ales. During the past year sales have fallen, but the company says it has held its markets better than most of the rest of the brewing industry. It supplies 120 tied public houses and about 400 free trade outlets, mainly in West London.

The investment brings Fuller's capacity to about 125,000 bulk barrels a year, and that means that for the first time since 1975 the brewery will have spare capacity. The two main Fuller beers, London Pride and Extra Special Bitter, are premium priced products with above average strength.

Brixton to get private jobs fund

By Steve Walker

CHIEF Francis Nzeribe, a Nigerian businessman, has put £1m into a private scheme to provide jobs of unemployed youths in Brixton, South London, recently hit by serious rioting.

Mr. Frank Bynoe, ex-editor of the Afro-Caribbean Post, has been appointed co-ordinating director of a seven person committee which will decide how the money is spent.

Mr. Peter Hosperales, development director of Franz International, the multinational company of which Chief Nzeribe is chairman, said yesterday that the scheme had already received £500,000.

"We thought if we could mobilise sufficient equity in a holding company we could establish some little industries and services such as window cleaning and TV repairs. It would give employment not only to blacks but also whites in the area," he said.

Mr. Courtenay Laws, director of the Brixton Neighbourhood Community Association, welcomed the idea and said the success of the project will depend on the support given from the community, and central and local government.

"Efforts have been made in the past by smaller groups but they failed due to lack of industrial expertise and effective management skills. It seems that this project has the capacity to cope in this area," Mr. Laws said.

Mr. Ted Knight, leader of Lambeth Council, said he welcomed anyone who wanted to invest in Brixton and help reduce unemployment in the area.

Gilgate winding-up petition submitted

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

UNSECURED CREDITORS of companies in the Gilgate group were deprived by a plan to give fraudulent preferences to other companies in the group, it was alleged in the High Court yesterday.

The plan was conceived to try to mitigate the effects of the collapse of Gilgate Construction. The collapse would have a domino effect on other group companies because of a complicated circle of inter-company indebtedness, said Mr. Peter Millett, QC.

He appeared for the Secretary of State for Trade, petitioning for the compulsory winding-up in the public interest of three group companies, Orthomore, Gilgate Securities and South Bucks Properties.

Mr. Millett said the case involved the rescission, or partial stay, of a compulsory winding-up order made against Gilgate Securities last July on an Inland Revenue petition. That petition was presented last June, too late to enable the fraudulent transactions to be challenged.

The Trade Secretary's petitions were presented on July 4, 1979, two days after the Department's inspectors, appointed to investigate the group's parent, Gilgate Holdings, published an interim report pointing to the fraudulent preferences.

The Trade Secretary acted urgently because, if liquidators of any of the companies were to have an opportunity to challenge the fraudulent transactions and recover money for the benefit of unsecured creditors, petitions had to be presented before July 9, 1979.

Mr. Millett said all three companies were insolvent. The petitions were supported by the liquidator of Gilgate Construction, which had been wound up in October, 1979, with debts of £27,432 against South Bucks Properties, £2,372 against Orthomere and £28,045 against Gilgate Securities.

The Gilgate Securities petition was also supported by the Inland Revenue, with a debt of £41,243. It was opposed by Gilgate Holdings on the ground that a winding-up order had already been made.

Mr. Millett said that in 1978 adverse Press publicity resulted in Gilgate Construction losing a contract. This made it inevitable that the company would have to cease trading.

The hearing continues today.

Countryside revival plan

FINANCIAL TIMES REPORTER

A MINISTER for rural affairs and a wider role for the National Enterprise Board are among 60 proposals in a new Labour Party programme for reviving the countryside.

The plan, published yesterday, calls for a big expansion of light industry geared to local resources and need.

Entitled Out of Town, Out of Mind, it also urges increase in rural rail services, greater efforts to retain village schools, more rented housing, and free installation and rental of telephones for the needy aged.

Consumer spending buoyant

By Peter Riddell, Economics Correspondent

CONSUMER spending remained at a buoyant level in the first three months of this year—partly reflecting the low rate of price increases for many goods and services.

Central Statistical Office figures published yesterday show that the volume of consumers' expenditure was £18.2bn, at 1975 prices and seasonally adjusted.

This was 1.7 per cent higher than in the previous three months and 1.5 per cent above last year's average level.

This rise occurred despite the lower level of pay rises agreed in the current wage round.

The explanation may be partly the carryover of previous big pay rises and the consequent high level of personal savings.

Spending has also undoubedly been boosted by slower price inflation, particularly for many private sector goods. This was reflected in the unusually long and extensive special winter sales in many High Street stores.

The rise in consumer spending primarily reflects an increase in the volume of retail sales, particularly in clothing and in household goods, categories in which prices have been relatively stable during the period.

Expenditure on alcoholic drink also rose, partly because of buying ahead of the Budget on March 10.

Spending on fuel and light fell back from a peak in the fourth quarter of last year.

Economists are still uncertain about what will happen in view of the sharp rise in indirect taxes announced in the Budget.

Insurance Ombudsman Bureau attacked

By Eric Short

THE RECENTLY established Insurance Ombudsman Bureau has been criticised by the Co-operative Insurance Society, one of the largest companies for personal insurances.

Mr. Hedley Whitehead, CIS chairman, said in his report accompanying the 1980 accounts, the IOB was cumbersome and expensive. It had also introduced an undesirable element of uncertainty into insurance practice.

The bureau was established at the end of March by three leading composite insurance groups — General Accident, Guardian Royal Exchange and Royal Insurance — in response to criticism that insurance companies acted as judge and jury when dealing with complaints from the public.

Policyholders with a member-company can have their complaint investigated by the ombudsman, whose decision is binding on the company up to £100,000. The service is free to the public.

The ombudsman is Mr. James Haswell, a lawyer with wide experience in private practice and the Army Legal Corps. He operates independently of the members of the bureau. Nine insurance groups are members. Other companies are waiting to see if the bureau proves necessary.

The CIS accepted the principle that there was a need for a practical system to deal with insurance complaints as an alternative to litigation by the policyholder. But it felt the problem was grossly exaggerated. The CIS said it had about 20 complaints that need resolving at top level out of 500,000 claims processed each year. It considered an alternative system needed to be simple to operate on an arbitration principle along the lines of the Industrial Assurance Commissioner. The CIS is investigating this possibility for ordinary life and personal non-life business.

The Sun Alliance has also expressed doubts over the need for an ombudsman. Lord Aldington, in his chairman's statement, said that last year there were fewer than 200 complaints out of 400,000 claims, and most of these were dealt with before they reached top management. He said the policyholder got the benefit of any doubt.

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UK NEWS—CBI QUARTERLY TRENDS

Manufacturing's rapid decline is ended

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PERIOD of rapid decline in activity in manufacturing industry has ended according to the latest Confederation of British Industry industrial trends survey published yesterday. However, there are no signs of a strong recovery.

The survey results show that the large deterioration in business confidence and in expectations about levels of new orders, output and exports has been checked. Corporate liquidity appears to have *stabilised.*

The survey is the most encouraging (or, rather, least discouraging) for two years. However, the confederation is keen to dampen any signs of over-optimism.

The commentary section of the survey notes that the results need careful interpretation. It argues that they show clearly that overall activity levels continued to decline over the four-*month* period to April, "albeit with the decline more modest than previously, as was expected on the basis of the January results."

The survey stresses the wide variations from industry to industry and within individual industries.

It states: "For the four months following the present survey the results point to a levelling off or a small decline in output and in demand for total manufacturing industry.

"*The* questions on demand and output do not look directly beyond the next four months. However, if a noticeably strong recovery in output was going to occur in the period immediately following the end *of the next four months* it would probably be detectable from the results from this survey of new orders. The survey results do not provide such a sign."

"There is a danger that the signs of stabilisation recorded *in this survey after a period* when the economic situation in manufacturing industry has deteriorated very sharply will distract attention from the poor underlying position that the results also reveal.

"The signs of stabilisation are welcome but they must not hide the facts that manufacturing output is over 12 per cent below its 1975 level, real profitability remains far below its previous lowest levels, and extensive cuts in stocks and fixed investment are still predicted."

The results do none the less indicate a marked change of trend compared with previous quarterly surveys.

A total 1,893 companies in manufacturing industry took part in the survey, covering about 3m employees and about *half the UK's manufactured* exports. Questionnaires were sent out at the end of March, *for reply by April 10.* They thus came well after the Budget.

In detail the survey shows:

● Business confidence may have largely stabilised after the sharp declines in the past two years. A total of 16 per cent of participants are more optimistic than they were four months ago about the prospects *for their industries, 22 per cent* are less optimistic and the balance report no change.

The net balance of minus 6 per cent compares with minus 27 per cent in January and minus 70 per cent last July.

These results can be taken to imply a small improvement in the level of optimism though business confidence probably remains at a depressed level.

● *Demand has continued to de*cline over the past four months though slower than in the previous eight months. A net balance of 30 per cent of companies report a decline in the volume of new orders in the past four months, compared *with 46 per cent in January.*

For the next four months the net balance is minus 2 per cent. *This contrasts with the indica*tions since April, 1979, of a rapid decline in orders.

However, the confederation warns that past surveys suggested there is a tendency for companies to be over-optimistic about short-run changes in demand. *A total 17 out of 44* sectors forecast a higher level of demand.

● *A total 82 per cent of com*panies are working below capacity, compared with the record 84 per cent in January. *This is* believed to reflect reductions in capacity rather than higher production levels.

● Output levels continued to fall over the past four months *though less sharply than before.* A net balance of 26 per cent reported a drop, compared with 41 per cent in January. Generally, the largest companies and those engaged in producing consumer or capital good experienced the smallest falls in output.

The net balance expecting a lower volume of output for the *next four months has dropped* to 4 per cent, compared with 16 per cent in January. However, *companies' expectations* have not always been subsequently fulfilled.

Nevertheless it is clear the rapid falls in output which occurred in the last half of 1980 will not be repeated in the coming months. In 13 of 44 individual sectors output is forecast to increase.

Prospects for exports viewed optimistically

A *MARKED* change in industry's relative optimism about export prospects over the next 12 months has occurred since the start of this year.

For the first time since October, 1978, there is a tiny net balance of companies (plus-1 per cent) more rather than less optimistic than they were four months ago about export prospects.

This compares with minus-20 per cent in January and minus-57 per cent last July. Nearly half the individual sectors are more optimistic.

This result is apparently rather striking in view of all the *complaints* about industry's competitive position.

The Confederation of British Industry said yesterday the change could partly *reflect* comparison with an exceptionally low base of relative optimism last year. *Additionally*, the recent weakness of sterling, particularly against the dollar, could have boosted optimism.

There are wide variations between *companies. Those* exporting to dollar markets may be more optimistic than others. In addition, there is evidence of an upturn in world demand for capital goods.

Constraint

The survey *shows* that over the *past four months* nearly as many companies have reduced export prices as have increased them.

It shows that over the next four months only a third of the companies expect to raise export prices.

In spite of this, a previously unsurpassed proportion of companies (85 per cent) *quotes "prices relative to* those of overseas competitors" as a likely constraint to obtaining export orders in the next four months.

Among other points the survey shows that:

● *Investment intentions* re*main weak. There was only* a small reduction in the net balance of companies expecting a decline in capital spending over the next 12 months.

Consistent

These results are said by the confederation to be consistent with the forecast made in January that the volume of manufacturing investment *could fall* by as much as 15 per cent between 1980 and 1981, with a further substan*tial fall in 1982.*

● Destocking continues to be extensive although some slackening in the rate can be seen.

● A continued decline in stock levels is one of the factors which contributed to a *steadying of* corporate liquidity, as shown by the special six-monthly questions included in the latest survey.

Sharp

Continued sharp cuts in investment and employment *are also important. Corporate* net liquidity has flattened out at a low level.

● *Widespread reductions are* occurring in manufacturing employment. In none of the 44 sectors is there evidence of an overall increase in the numbers employed.

For the next four months a balance of 54 per cent expects a fall, compared with 57 per cent in January.

The size of the expected falls in employment *in rela*tion to falls in output is large, implying that companies are attempting to achieve substantial produc*tivity gains.*

Ended

● The rapid decline in the rate of output price inflation appears to have ended. There could be a slight rise from *present low levels.*

This is indicated by an increased balance of companies expecting to *raise* their domestic prices over the next four months—28 per cent, compared with 26 per cent in January and 20 per cent last *October. This ties in with* companies' success in reducing stock levels

The confederation said replies on costs and prices suggest *profitability* has remained depressed.

Industrial Trends Survey No. 80, April 1981, Confederation of British Industry, Centre Point, 103, New Oxford Street, London WC1A 1DU.

Total trade trends for April

TOTAL TRADE—All figures are percentages on a weighted sample. Figures in parentheses show the response to the survey carried out last January. Number of respondents: 1,893.

	More	Same	Less
Are you more or less optimistic than you were four months ago about the general business situation in your industry	16 (6)	61 (61)	22 (33)

Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 months on:	More	Same	Less	N/A
(a) Buildings	9 (8)	30 (27)	49 (54)	13 (11)
(b) Plant and machinery	21 (17)	27 (27)	51 (55)	1 (1)

	Yes	No	N/A
Is your present level of output below capacity (i.e. are you working below a satisfactory full rate of operation)	82 (84)	17 (16)	— (1)

Excluding seasonal variations, do you consider that in volume terms:

	Above normal	Normal	Below normal	N/A
(a) Your present total order book is	3 (3)	20 (20)	76 (76)	— (1)

	More than adequate	Adequate	Less than adequate	N/A
(b) Your present stocks of finished goods are	28 (32)	57 (54)	2 (1)	13 (13)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

	Trend over past four months				Expected trend over next four months			
	Up	Same	Down	N/A	Up	Same	Down	N/A
Numbers employed	5 (4)	22 (21)	73 (74)	— (—)	4 (4)	38 (35)	58 (61)	— (—)
Volume of total new orders	15 (12)	39 (29)	45 (58)	1 (1)	20 (13)	56 (56)	22 (30)	1 (1)
of which: Domestic orders	12 (8)	44 (32)	43 (58)	1 (1)	18 (11)	61 (59)	19 (29)	1 (1)
Volume of output	14 (9)	45 (40)	40 (50)	— (—)	17 (11)	62 (61)	21 (27)	— (—)
Volume of domestic deliveries	13 (7)	43 (83)	42 (58)	2 (1)	17 (10)	59 (58)	23 (31)	1 (1)
Stocks of: (a) Raw materials and brought-in supplies	6 (8)	41 (38)	50 (52)	3 (2)	7 (4)	61 (57)	29 (36)	3 (3)
(b) Work in progress	9 (6)	44 (40)	37 (44)	9 (9)	7 (5)	59 (55)	25 (30)	10 (9)
(c) Finished goods	13 (16)	38 (34)	35 (38)	13 (12)	8 (6)	53 (52)	26 (30)	13 (12)
Average costs per unit of output	49 (56)	43 (40)	8 (5)	— (—)	54 (54)	40 (39)	6 (7)	— (—)
Average prices at which: Domestic orders are booked	27 (25)	52 (58)	21 (17)	— (—)	37 (34)	53 (58)	9 (8)	— (—)

Approximately how many months' production is accounted for by your present order book or production schedule:

Less than 1	1-3	4-6	7-9	10-12	13-18	More than 18	N/A
19 (23)	46 (45)	9 (9)	2 (2)	1 (1)	1 (1)	2 (3)	19 (17)

What factors are likely to limit your output over the next four months:

Orders or sales	Skilled labour	Other labour	Plant capacity	Credit or finance	Materials or components	Other
93 (96)	2 (2)	0 (0)	6 (2)	4 (3)	1 (1)	1 (3)

	More than adequate	Adequate	Less than adequate
In relation to expected demand over the next 12 months is your present fixed capacity	68 (68)	30 (30)	2 (2)

What are the main reasons for any expected capital expenditure *authorisations on buildings, plant or machinery over the next* 12 months:

To expand *capacity*	To increase *efficiency*	*For replacement*	Other	N/A
9 (9)	64 (63)	52 (49)	5 (7)	14 (17)

What factors are likely to *limit (wholly or partly)* your capital expenditure authorisations over the next 12 months:

Inadequate net return on proposed investment	Shortage of internal finance	Inability to raise external finance	Cost of finance	Uncertainty about demand	Shortage of labour including managerial and technical staff	Other	N/A
35 (34)	22 (23)	3 (3)	11 (13)	53 (53)	1 (1)	2 (1)	13 (13)

Export trade trends for April

EXPORT TRADE—Companies completing these questions have direct exports exceeding £10,000 per annum. Number of respondents, 1,359.

	More	Same	Less	N/A
Are you more or less optimistic about your export prospects for the next 12 months *than you were four months ago*	21 (10)	59 (59)	20 (30)	1 (1)

Excluding seasonal variations, do you consider that in volume terms:

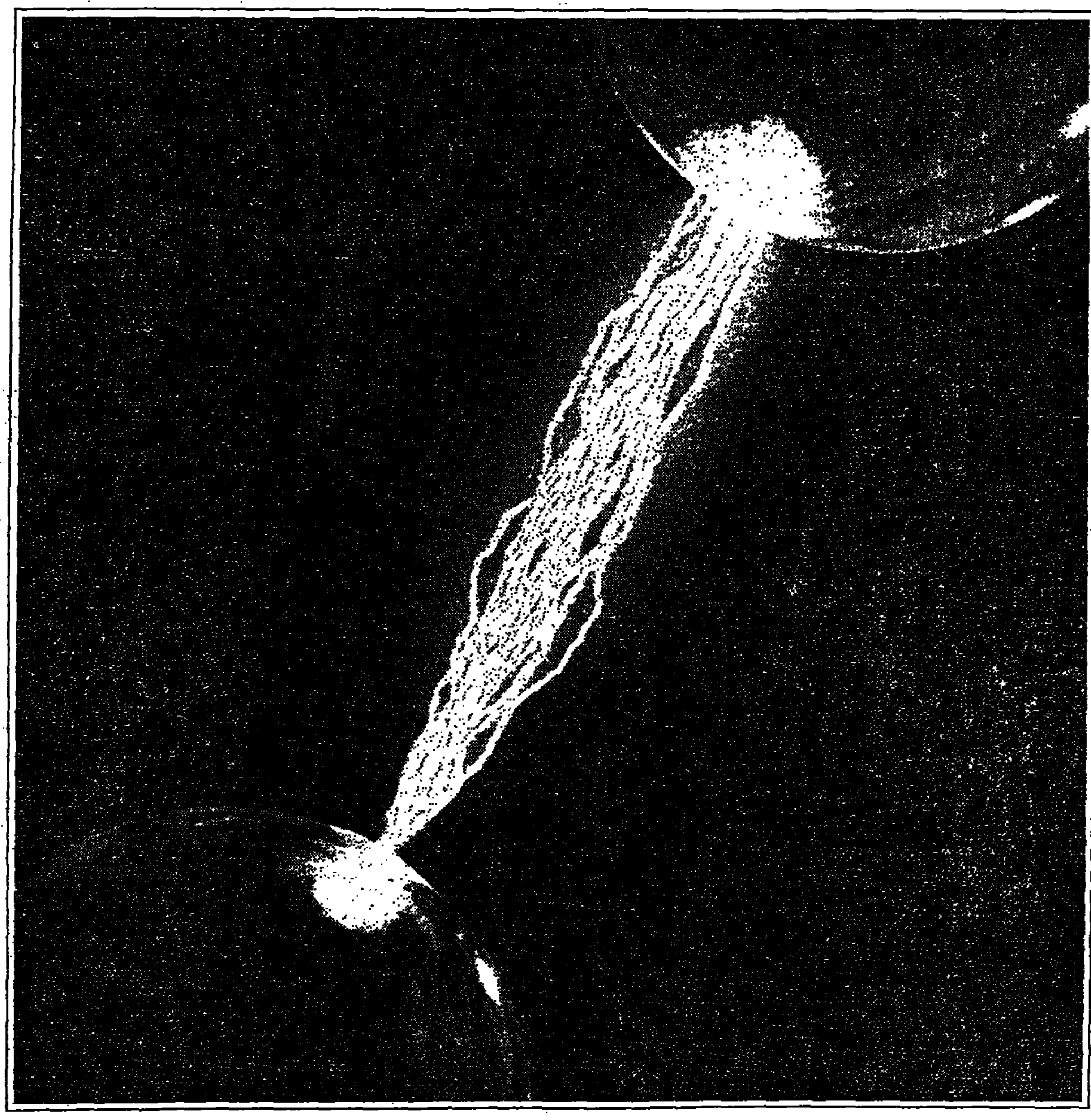
	Above normal	Normal	Below normal	N/A
Your present total order book is	6 (6)	27 (27)	66 (65)	1 (2)

Excluding seasonal variations, what has been *the trend over the* past four months, and what are the expected trends for the next four months, with regard to:

	Trend over past four months				Expected trend over next four months			
	Up	Same	Down	N/A	Up	Same	Down	N/A
Volume of total new export orders	18 (13)	46 (38)	33 (48)	2 (2)	18 (11)	64 (66)	17 (21)	2 (1)
Volume of export deliveries	20 (12)	44 (41)	33 (44)	3 (3)	18 (13)	59 (60)	20 (24)	3 (3)
Average prices at which export orders are booked	25 (21)	51 (54)	23 (24)	1 (1)	33 (33)	57 (52)	10 (13)	1 (1)

What factors are likely to limit your ability to obtain export orders over the next four months:

Prices (compared with overseas competitors)	Delivery dates	Credit or finance	Quota and Import licence restrictions	Political or economic conditions abroad	*Other*
85 (81)	6 (4)	5 (5)	8 (7)	35 (37)	6 (8)



UK NEWS—LABOUR

More airports face action

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE union leaders say more airports are to be hit from today by action involving air traffic control staff. The unions claim that about £3.3bn of Government revenue has been halted so far in the seven-week pay strike.

The Council of Civil Service Unions' disclosure of new airport targets follows action that hit most air services to and from three airports yesterday.

The Civil Aviation Authority says there were no services to or from Prestwick and Edinburgh, and Glasgow handled only 33 per cent of its normal incoming traffic and 58 per cent of its normal outgoing flights. At Prestwick and Edinburgh all air traffic control staff called out took part in the action, but at Glasgow three out of the 26 called out worked. Meteorological staff at the airport walked out.

International and weekend traffic is likely to be badly disrupted by the new action, which is likely to be at least as effective as yesterday's and Monday's action at the London and Scottish main air traffic control centres.

The airports affected will be:

● Today: Manchester air traffic control centre; Manchester, Birmingham, Liverpool and Belfast airports.

● Tomorrow: Aberdeen, Sumburgh, Kirkwall, Wick, Inverness.

● Friday: Heathrow, Gatwick, Stansted; the London area radar services maintenance unit; and the Oceanic Control Centre at Prestwick. This centre is responsible for the control of all intercontinental traffic between the UK, Western Europe, the U.S., Canada and South America.

Most strikes will be in the morning, except at Aberdeen, which will involve the afternoon shift, and at the Oceanic Control Centre, which will be out from 1 pm to 10 pm.

The unions said yesterday that a near-miss involving two airliners over the Southampton area on Monday would not have happened if they had not had to take industrial action involving control staff. The CAA denied this claim.

The unions said they had offered to maintain safety cover. A letter from Mr. John Macreadie, acting chairman of the CAA trade union side, to Mr. William Woodruff, chairman of the CAA's National Air Traffic Services, says the trade unions are prepared to provide safety cover in emergencies provided this does not undermine the effectiveness of their action.

This, and the intention to publicise the precise action to be taken 48 hours in advance, should fulfil the trade unions' responsibilities not to endanger life. Mr. Macreadie hopes the CAA will not attempt to exploit this provision.

The unions will announce further targets at the end of the week.

Unofficial industrial action was still being taken yesterday at the Livingston benefits computer in Scotland. This was affecting benefit payments, though union officials were trying to contain it and ensure minimum disruption.

The council said yesterday that strikes at key Pay-As-You-Earn, National Insurance and Value Added Tax computer centres at Cumbernauld, Shipley and Southend had halted £3.3bn in Government revenue, and warned that some of the money would be lost

Senior civil servants to study firm TUC links

By Our Labour Staff

GREATER INVOLVEMENT in the TUC, including political debate, is being considered by the traditionally non-political First Division Association, which represents senior civil servants up to the rank of Permanent Secretary.

But some FDA members, unhappy about the proposal, have tabled motions for next month's union conference suggesting that discussions on issues wider than Civil Service pay and conditions "include matters on which it would be unwise for senior civil servants to express a view publicly, let alone collectively."

Union officials acknowledge that other members are still "unreconciled" to the FDA's TUC affiliation, which took place in 1977.

A document from the union's executive—to be presented to the annual conference—could be taken as further evidence of what union leaders believe will be the increased level of political activity of the Civil Service because of the present dispute.

The document says: 'While it seems essential that the Association remain free of any party political afficialtions or bias, it can be argued that we can no longer afford merely to leave discussion of wider issues to others." It admits that 'this would represent a major departure from previous practice."

The document considers whether the union should propose its own motions for TUC debate. At present the union merely reacts to other unions' motions, and does not vote on motions of wider political significane.

NCB looks at reduced work hours

By John Lloyd,

OFFICIALS of the National Coal Board and the National Union of Mineworkers are holding talks on reducing the working week, and on lowering the retirement age.

Mr. Lawrence Daly, the NUM general secretary, was reported as having told the NUM's Midland area conference yesterday that the battle for either a four-day week or a nine-day fortnight was "almost won" and that it had been "agreed in principle."

However, the NCB said that no agreement in principle had been made. The high cost of the loss of one shift's production without a drop of overheads was a strong factor against its adoption, the Board said last night.

Mineworkers have a long-term commitment to retirement for face workers at 55 and for surface workers at 60. The current talks on retirement age centre round a reduction to 59 for face workers and 63 or 64 for surface workers.

Strike threat at Legal and General

A MAY DAY strike in all the offices of the Legal and General Assurance Society was forecast yesterday by a trade union official.

Mr. Jim Terry, official of the Association of Scientific, Technical and Managerial Staffs responsible for the company's 2,600 union members, said: "On the experience of meetings I have attended, I expect to get a rejection of the company's offer."

Legal and General has offered its 5,000 staff an 11 per cent pay rise, up from its initial offer of 8.5 per cent. The union is claiming 17 per cent, plus various fringe benefits.

The results of the ballot on a strike on Friday will be known today.

Wage freeze proposals dropped by building trade employers

BY PAULINE CLARK, LABOUR STAFF

THE THREAT of early national strike action by 700,000 building workers appeared to have receded yesterday after the employers agreed to abandon proposals for a four-month wage freeze in the industry.

Union leaders indicated however that industrial action had still not been ruled out. They saw a revised pay offer as still falling far short of their demands for a wage increase this year at least comparable to the 12 per cent awards achieved in some big areas of the public sector.

No agreement was reached yesterday after a day of talks between the two sides on the Building and Civil Engineering Joint Board.

Employees tabled a new "marginally improved" offer involving wage rises from the end of June which they estimated could increase some building workers' pay by about 8.2 per cent from November with bonuses when the working week in the industry is reduced from 40 hours to 39 hours as agreed in last year's settlement.

The Federation of Civil Engineering Contractors described the offer overall as being worth 7.5 per cent to craftsmen and 7.3 per cent to labourers.

Negotiators' leaders in the Transport and General Workers Union and the Union of Construction, Allied Trades and Technicians are to meet tomorrow to discuss their response to the offer which they estimate to be worth 4.7 per cent over the year from the end of June.

Mr. George Henderson, national officer in the TGWU, said members' views on the offer would be sought. But he viewed the proposals as "a clear indication of contempt" for building craftsmen and labourers.

The decision to lift the wage freeze followed official approval given by the Transport and General Workers Union for national strike over the issue.

Members working on large building sites throughout the country had given strong backing earlier this month for industrial action following the employers' earlier offer of a 5.75 per cent rise to be implemented from November, some four months after the group's annual pay settlement date.

Arbitration likely on rail pay

BY OUR LABOUR STAFF

THE THREE British Rail unions are expected individually to approve a reference to arbitration of claims for pay rises in line with inflation following a joint meeting yesterday which ended in confusion. Their claims are put at about 13 per cent.

The meeting of executives was called to discuss the BR board's 7 per cent offer. It could not agree on a reference to the Railway Staffs National Tribunal because one union, the white-collar Transport Salaried Staffs Association, did not attend.

However, it is understood the TSSA executive has decided on arbitration. The executive of the National Union of Railwaymen is likely to do so tomorrow. The traindrivers' union ASLEF will probably follow suit.

BR has not indicated its position. However, officials are concerned that if the tribunal makes a higher award than the offer, as has happened in the past, the board will be unable to fund it.

Union officials could obtain no indication of the board's views on arbitration when they attended a meeting yesterday of the Railways Staffs National Council, at which they formally rejected the 7 per cent offer.

● The unions' own inquiry into BR's proposals to close part of the Manchester-Sheffield-Wath freight line will take place in Sheffield from May 18, under a single chairman who is due to be named today.

Hopes rise of ending Scotsman strike

BY JOHN LLOYD, LABOUR CORRESPONDENT

HOPES ARE rising of ending the ten-day old journalists' dispute which has stopped production of The Scotsman newspaper and reduced the Edinburg Evening News to an advertising freesheet.

Exploratory talks between the journalists and The Scotsman management earlier this week ended with an agreement in principle to more substantive talks tomorrow or Friday.

The main issue which has halted the paper for the first time in its history is the big differential which exists between journalists' salaries in Glasgow and those paid in Edinburgh, where The Scotsman and the Evening News are published.

The journalists say that the differentials are between £3,000 and £3,500 at all levels. They have also expressed a "lack of confidence" in Thomson Regional Newspapers, which owns the papers, largely because the rival Glasgow publisher, Lonrho-subsidiary Outram, has been the first to launch a "quality" Sunday newspaper.

The journalists' action has been made more effective by an agreement from the Society of Graphical and Allied Trades, the main Scottish print union, not to set or print any editorial copy.

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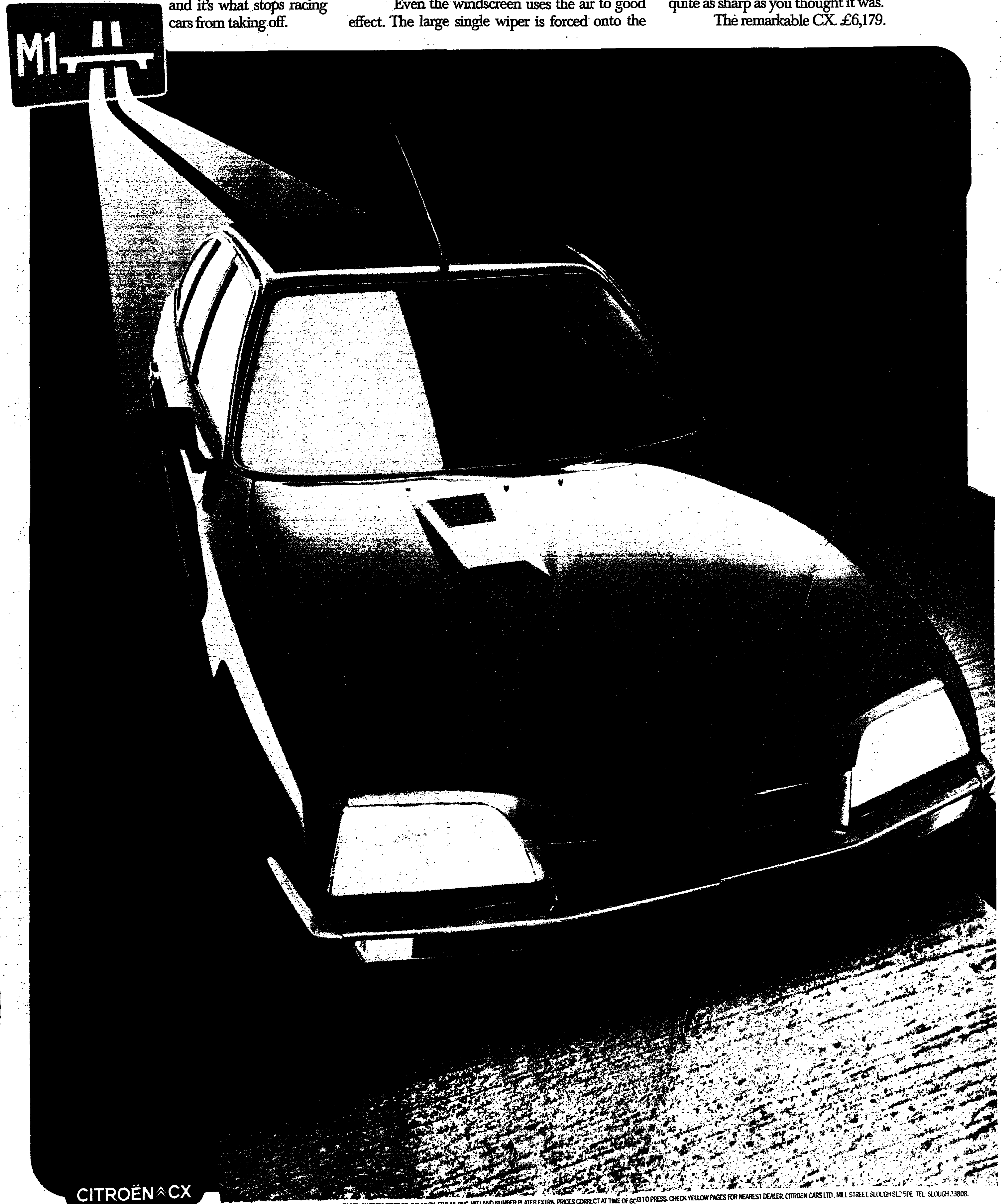

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Callaghan faces challenge from Left

By Robin Reeves, Welsh Correspondent

THE LABOUR Party's new reselection procedure has triggered a Left-wing challenge to Mr. James Callaghan, the former Prime Minister, in his Cardiff South East constituency.

Members of the Party's Roath Ward in the city have nominated Mr. Nigel Knowles, a 34-year-old education officer for the General Federation of Trade Unions, for the seat in preference to Mr. Callaghan, who has represented a Cardiff constituency since 1945.

Professor Martin Albrow, Secretary of the Roath Ward, said Mr. Knowles had convinced the meeting that he backed present Labour Party policy including withdrawal from the EEC, the need for nuclear disarmament, and nationalisation.

Political stance

Mr. Callaghan was not present at the meeting but earlier had sent a letter setting out his political stance on current issues. "You could say Nigel Knowles appears considerably to the Left of Mr. Callaghan," Professor Albrow said.

Mr. Nigel Williamson, a 27-year-old former civil servant, also sought the ward nomination.

Mr. Knowles, who refused to speak to reporters after his nomination, fought Bodmin for Labour in the 1979 general election polling 2,500 votes. He is a member of the Association of Scientific, Technical and Managerial Staffs white-collar union and has been a Labour Party member for 10 years.

The ward members now expect his name to be included on the list of candidates for the final selection conference.

Mr. Gordon Holston, chairman of Cardiff South East Labour Party, remained confident that Mr. Callaghan would still win reselection easily.

While one or two other wards might decide on candidates other than Mr. Callaghan, "he is the overwhelming choice of the constituency management committee, the Labour Party as a whole and the constituency as a whole." Mr. Holston said.

May date set for grant cut defence

BY IVOR OWEN

AN ORDER has been made by the High Court naming May 22 as the date by which Mr. Michael Heseltine, Environment Secretary, must state his defence to the action brought by six London boroughs challenging his right to cut their rate support grant.

This was revealed in the Commons last night by Mr. Ron Brown (Lab., Shoreditch and Hackney), who, opening a debate on the economic and social problems of greater London, accused the Minister of having nothing but contempt for local government and those who served in it.

Mr. Brown alleged that Mr. Heseltine and the Department of Environment had "willfully refused" to submit their evidence and disclosed that the six authorities — all Labour-controlled and led by Camden —had successfully applied for an order requiring him to furnish an affidavit in accordance with stipulated timetable.

Brent, Hounslow, Hackney, Tower Hamlets and Waltham Forest have joined Camden in the action against Mr. Heseltine, and the full hearing is now expected to open in the High Court on July 13.

Government supporters scoffed when Mr. Brown argued that the prospects for London would be immeasurably improved if the county council elections on May 7 resulted in Labour capturing control of the GLC from the Conservatives.

He maintained that commerce and industry in greater London had been severely damaged by the Conservative policies administered from both Whitehall and County Hall.

Heseltine: accused of having nothing but contempt for local government and those who served in it.

Brown: alleged that Mr. Heseltine and the Department of Environment had wilfully refused to submit evidence.

Nor was he impressed by suggestions, based on a survey by the London Chamber of Commerce, that London companies were set for a revival.

Mr. Brown reported that when he had inquired about the evidence on which the survey was based, he had been told "the people gave us a feeling they had."

He contended that the business community was "petrified" by the damage being inflicted by the Government's monetarist policies.

Mr. John Hunt (C., Bromley) described Labour's manifesto for London as a tragic and terrifying document but one which should be required reading for all the voters in the GLC area.

The most alarming example of financial irresponsibility, he said, was the madcap proposal to reduce transport fares by 25 per cent and then freeze them for four years.

The benefits from such a scheme would not be confined to those who lived in London—people living in the stockbroker belts in Surrey and Sussex who travelled into London every day would also be among the beneficiaries.

Mr. Hunt attacked the proposal for setting up a GLC bus factory.

It would be another of Lamour's loss-making operations, he warned, and would lead to an ever-increasing burden being imposed on the ratepayers.

Mr. John Fraser (Lab., Norwood), whose constituency includes Railton Road, which was at the centre of the recent Brixton riots, called on the Government to make more money available to facilitate the reconstruction and rehabilitation of the whole area.

He refused to accept that the situation revealed by the rioting was hopeless.

"We can climb out of our difficulties," Mr. Fraser declared.

He complained that Government policies had added to the difficulties encountered by the local authority in dealing with the Railton Road area, and instanced the fact that the moratorium on local Government expenditure had prevented a demolition scheme being completed.

Unemployment will go on rising, says Prior

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

UNEMPLOYMENT will continue to rise even after the end of the recession but the rate of increase is beginning to slow down, Mr. James Prior, Employment Secretary, told the Commons yesterday.

Mr. David Winnick (Lab., Walsall North), said it was clear that unemployment would continue to grow substantially unless the Government changed its policies.

He said that if Mr. Prior could not get his way in Cabinet when he argued a different point of view from the Prime Minister, then he should "have the guts to resign."

Mr. Prior retorted: "Even after the recession, unemployment will go on rising. But it is also a fact that the rate of increase is now beginning to decline generally. That does give us hope for the future in what is a very difficult and tragic situation."

He was also questioned by Mr. Eric Varley, Labour's Employment spokesman, over the latest figure of 2.5m unemployed.

Mr. Varley asked Mr. Prior to admit that during the remainder of this Parliament, there is no hope of getting employment below this level.

"It is more likely by the time this Parliament comes to an end, to be around 3m," said Mr. Varley.

Mr. Prior replied: "Frankly, I don't know what the forecast will show or what the results will be in three years time. All I know is that I believe the figures will peak out before too long. I would hope, then, we shall see some decline.

"I think we in Britain are going to have to live with higher levels of unemployment than we have experienced in the 1950s or 1960s. That would be the same under any Government."

Mrs. Thatcher also came under attack on unemployment during Prime Minister's question time.

Mr. Tom McNally (Lab., Stockport South) complained about the high number out of work in Greater Manchester.

The Prime Minister said that genuine jobs would only be created when industry and commerce start up or expand and thus provide goods or services which people were prepared to buy.

However hard Labour MPs tried, they could not get away from that, she said.

Mr. Charles Morris (Lab., Openshaw) thought it was a scandal that 40 per cent of those unemployed in Manchester were under 25 years old.

The Prime Minister assured him that it was precisely because the Government was aware of this problem that it had put its priorities into the Youth Opportunities programme.

She told Labour Left-wing hecklers that real jobs would not be provided by their mutterings, but only by creating the right conditions for expansion.

Hopes for compromise on diesel duty grow

By Elinor Goodman, Lobby Correspondent

HOPES ARE growing among the Tory MPs who rebelled on the Budget last month that the Chancellor will offer some compromise on the increase in diesel duty before tomorrow's vote.

They claim that enough extra MPs have now indicated their willingness to support an amendment to force the Chancellor to reduce the proposed 20p increase.

On yesterday's Order Paper there were four different Conservative backbench amendments to the clauses in the Finance Bill dealing with petrol and derv duties, as well as six Labour amendments. A total of 22 Tories have signed the various amendments, and what must be particularly worrying for the Government is that some of them were not among the 30 who rebelled in last month's Budget vote.

The pressure for a cut in the duties also surfaced last night at a meeting of the Conservative backbench agricultural group. At the same time, four of the Scottish Tories who rebelled in last month's vote reaffirmed their determination to back an amendment reducing the diesel increase, and also called on the Government to carry out another investigation into the whole question of rural petrol prices.

Yesterday, the Government Whips continued their soundings of Tory MPs and were expected to report back to the Chancellor. With the outcome very finely in the balance, it was obviously good tactics for both sides to maximise their chances of victory, and the Whips were yesterday outwardly trying to appear unworried about the possibility of defeat.

In last month's vote on the Budget, the Government's majority was reduced to 14 after eight Conservative MPs voted with the Opposition and another 22 abstained. But though a few of last month's rebels have now agreed to support the Government, a number of other MPs who went into the Government Lobby on the main Budget vote, have now come out in support of amendments.

The various Tory amendments cover the whole gambit of possible changes to the 20p increases in both petrol and diesel duties. But yesterday there were further signs that support was coalescing behind the idea of halving the increase in diesel duty to 10p. This would cost the Government around £135m in lost revenue, and despite the Chancellor's insistence before Easter that it would be very difficult indeed to find the money elsewhere, the sponsors of the amendment yesterday claimed to be hopeful.

Thatcher rejects call to abandon guillotine on Nationality Bill

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MRS. THATCHER yesterday refused a demand from Mr. Michael Foot, leader of the Opposition, that she should abandon the guillotine timetable which is being imposed on the British Nationality Bill in order to get is through the Commons before the summer recess.

The Prime Minister, just back from her tour of India and the Middle East, put up a spirited defence of the legislation and denied that it would have an adverse effect on race relations in Britain.

But Mr. Foot said that race relations were in a sensitive state and almost everything which Mrs. Thatcher did or said "apparently contributes to these animosities."

The exchanges came during Prime Minister's Question Time on the eve of today's three-hour debate on the Government's guillotine motion.

Mr. John Townend (C., Bridlington)—in a reference to the concern over the Bill expressed by Mrs. Gandhi, the Indian Prime Minister—reminded Mrs. Thatcher that legislation passed by the Commons was not the business of foreign powers.

"The British Nationality Bill is not racial," he said. "We have the same law for black and white."

He asked Mrs. Thatcher to confirm that "thugs who riot and throw Molotov cocktails will be severely punished regardless of colour."

The Prime Minister confirmed to him that legislation passed by the Commons about UK citizens was not the business of other powers "although we do listen to representations made by old friends."

She said that the Bill applied across all racial boundaries and many minority groups would benefit from its better definition of British citizenship. The same law would apply to everyone in the community. Those who broke the law should be punished irrespective of race or colour.

Mr. Foot appealed to her to reconsider the use of the guillotine and said that attempts to force the Bill through the House by these means would further injure good race relations.

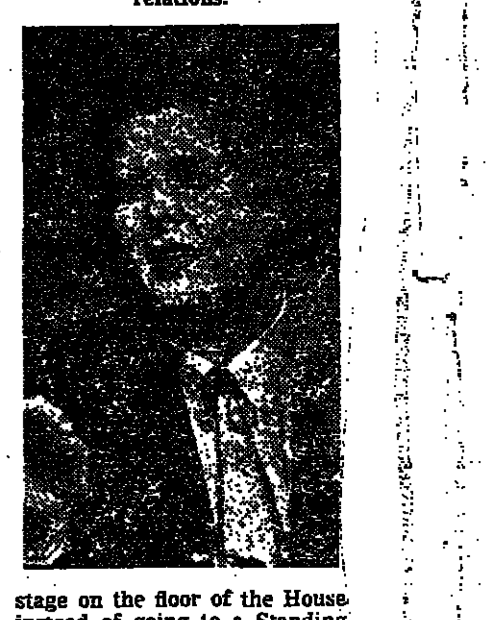
Sharply Mrs. Thatcher reminded him that in two years the Conservative Government had only just equalled the number of guillotines that Mr. Foot had introduced in one day when he was Leader of the House in the last Labour Government.

But Mr. Foot pointed out that the Nationality Bill was a constitutional measure which should have had its committee stage on the floor of the House instead of going to a Standing Committee. To deal with it in this insensitive manner showed how unqualified Mrs. Thatcher was to talk about race relations.

The Prime Minister, however, reminded him that he had guillotined the Scotland and Wales Bill on Devolution and the European Assembly Elections Bill. It was right that the Government should seek to define British citizenship by means of the Bill. It was non-racial and should add to good race relations, not detract from them.

"We should continue the way we are going," she insisted.

Mr. Foot (above) appealed to Mrs. Thatcher (below) to reconsider the use of the guillotine on the Bill. He said that to deal with it in this insensitive manner showed how unqualified the Prime Minister was to talk about race relations.



Labour rethink on Euro MPs

By Elinor Goodman,

THE LABOUR Party is to reconsider the possibility of letting European MPs stand as candidates for Westminster.

At a meeting yesterday with the Party's European MPs, members of Labour's national executive agreed to consider the MEPs' request for a relaxation of the present bar on MEPs standing for election to Westminster.

Such a relaxation would once again raise the very delicate question of whether Labour MPs should be allowed to operate under a dual mandate.

But attempts are likely to be made to find a compromise.

The meeting showed a considerable unhappiness among some Labour MEPs both about their inability to get back into what they see as the mainstream of British politics and the problems they feel Labour's attitude to Europe is creating for them in operating effectively there.

The relationship between Labour's European MPs and Westminster has always been a delicate one.

Before the European elections, the party conference agreed that no Westminster member should be allowed to stand for the European Parliament. Since then, European MPs have been arguing that they should at least be allowed to let their names go forward as Westminster candidates without first having to resign their European seats.

At last month's meeting of the national executive, a paper was put forward by Mr. Tony Benn and Mr. John Golding which would have prevented any MEP putting himself or herself forward as a prospective Parliamentary candidate.

It was agreed that the motion should not be finally approved until the executive had had a meeting with the European group.

At yesterday's meeting, the MEPs made it clear that they felt it was unreasonable that they should be expected to resign their European seats before even fighting a Westminster election. It was agreed that the situation should be reconsidered, but it is likely that some members of the executive will strongly oppose any move to change the present rules.

Aircraft decisions to be made this summer

BY LYNTON McLAIN

MAJOR DECISIONS on programmes for new aircraft for the Royal Air Force for the late 1980s are likely to be made this summer, MPs on the Commons select committee on defence were told by officials from the Ministry of Defence yesterday.

Two programmes are being considered, one to replace the Jaguar strike aircraft and the other to replace Britain's Harrier vertical take-off and landing aircraft.

The Harrier replacement programme is the more urgent of the two and Mr. J. Peters, the assistant under secretary of state for the air staff at the MoD, told the committee: "We hope a decision on whether to buy the U.S. AV-8B version of the Harrier or the British GR5(K) version will be taken this summer."

The U.S. programme could involve total spending of £1bn, he told MPs. Britain would share approximately a fifth of the total value of work if the Ministry of Defence decided to buy the U.S. aircraft.

Up to 100 replacement aircraft are needed to carry out the battlefield support role of the Harrier from 1986-87. Britain would build all these and, if the AV-8B was chosen, Britain would also be responsible for up to a third of all airframe work on aircraft ordered by the U.S. forces, and up to 75 per cent of all engine work.

In addition, Britain would have a so-far undecided share of the production of all AV-8Bs sold to third countries.

The committee was told that ministers in the MoD are expected to receive papers on the options for the European Combat Aircraft by the summer. The Government will then be in a position to decide what the prospects are for a go-ahead for the collaborative programme with Germany and possibly other European countries.

The longer a final decision on the project is delayed, the greater became the prospect of Britain buying a U.S. aircraft "off the shelf," MPs were told.

● A decision on a new heavyweight torpedo for the Royal Navy would be taken later this year, Lord Trenchard, Defence Minister of State, told the Lords yesterday.

He said two options were currently being studied—one British and one American.

Lord Kimberley, Tory backbencher and secretary of the Lords defence committee, voiced fears about buying U.S. weapons.

"If the American torpedo was built it would do the United Kingdom industry a lot of harm," he said.

The industry's export potential could be damaged. And he added that past decisions to buy conventional American weapons had often proved more costly than originally planned.

But Lord Trenchard told him that all these factors would be considered in arriving at a decision.

The British torpedo has been developed by Marconi drawing upon technology used for the Stingray light torpedo while the U.S. weapon has been developed from their Mark 48 torpedo.

Today in Parliament

Commons — The guillotine motion on the British Nationality Bill. Deep Sea Mining (Temporary Provisions) Bill, second reading. Health and Safety (Fees for Medical Examinations) Regulations.

Lords — Short debate on need for greater equality in UK. Short debate on future of newspaper industry. Marriage (Enabling) Bill, report. Short debate on action to ensure that Edinburgh Outer City by-pass is completed in time for Commonwealth Games in 1986.

Select committees — Scottish. Subject: Youth Unemployment in Scotland. Witnesses: Youth Aid, Association of Principals of Colleges (Scottish Branch) (10.30 am, Room 5). Welsh. Subject. Scrutiny of Welsh Office Departments. Witnesses. Welsh Office Agriculture Department. (4 pm, Room 18.) Employment Committee (4.30 pm, Room 8.) Social Services: Subject: Medical Education. Witness: Mr. Patrick Jenkin, Social Services Secretary (4.30 pm, Room 21.)

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MSS Computer & Business Consultancy Ltd.
MSS House
54 Chapel Road
Worthing W Sussex
Tel: 0903 34755

Computer Development Professional Training
Data Training Ltd.
7/9 Norwich Street
London EC4
Tel: 01-404 5444

Computer & Electronic Removal & Installation
Blythe Van Service International Ltd.
Unit 2
Lyon Industrial Estate
Hartspring Lane
Watford WD2 8JS
Tel: Watford 0923/35665
Telex: 298821

Computer Employment & Consultancy & Contract Staff
Universal Computer Associates Ltd.
Data Express House
Prospect Place
Chiswick London W4
Tel: 01-995 3383

Computer Engineering Services
Systems Maintenance & Services Ltd.
Unitair Centre
P O Box 13
Gt South West Road
Feltham Middlesex TW1 4NT
Tel: 01-751 4451 (10 lines)
Telex: 8814060 SMS UK

Computer Equipment Suppliers for DEC & Compatible Components
Danbridge (UK) Ltd.
Sherwood House
High Street
Crowthorne Berks RG11 7AT
Tel: 034-46 2359
Telex: 847782 DANBRI G

Computer Hard/Software Division (Service to Management)
Healey Management Services Ltd.
442/6 London Fruit Exchange
Brushfield Street
London E1
Tel: 01-247 2858/3149

Computer Hardware Wholesalers
Sigma (UK)
6 The Jays
Burgess Hill Sussex
Tel: 04446-44159
Telex: 87515 WISCO
Ventek Computers
Ventek Ltd.
Station House Harrow Road
Wembley HA9 6ER
Tel: 01-903 6261
Telex: 923038

Computer Information Services
Datastream International Ltd.
1 King Street
London EC2
Tel: 01-600 6411
Telex: 884330

Computer Installations
VDU Installations Ltd.
Clock House
Updown Hill
Windlesham Surrey GU20 6DL
Tel: Bagshot 73010/71444
Telex: 858604

Computer Leasing
O M P Leasing Services UK Ltd.
7 Storey's Gate
London SW1
Tel: 01-222 4031
Telex: 8952633
United Leasing Ltd.
1 Albemarle Street
London W1X 3HF
Tel: 01-491 4553

Computer Maintenance Services
Computer Field Maintenance Ltd.
Excell House
Trust Industrial Estate
Wilbury Way Hitchin SG4 0UZ
Tel: 0462 51511
Telex: 826649 CFMIAL G

Computer & Office Systems (Rental & Sale)
Mr Gordon Brown
Station House
Neasden Lane
London NW10
Tel: 01-450 8900
Hamilton Rentals Ltd.
Hamilton House
North Circular Road
London NW10 7UB
Tel: 01-961 6777
Telex: 263121

Computer Parts Sales
VAS Computer Parts & Accessories Ltd.
Tower House
College Road
Bromley Kent
Tel: 01-464 5895
Telex: 896559

Computer Peripheral Distributors & Wholesalers
Geveke Electronics Ltd.
R M C Houuse
Vale Farm Road
Woking GU12 1DW
Tel: 04862 71337
Telex: 859531
X-Data Ltd.
Marish Wharf
St Mary's Road
Langley Slough SL3 6DA
Tel: Slough (0753) 49117
Telex: 847728
Contact: Mr T R Blaszkowicz

Computer Peripheral Printers
Decision Data Computer (GB) Ltd.
Corrie House
48-54 London Road
Staines TW18 4HQ
Tel: Staines 59455
Telex: 934334

Computer Products & Ancillary Equipment
Fungus Computer Products Ltd.
Westmorland House
2nd Floor
Teall Street
Wakefield
Tel: 0924 60274
Telex: 557644
C Itoh & Co. Ltd.
(Electronics & Business Machines Division)
London International Press Centre
76 Shoe Lane
London EC4
Tel: 01-353 6090

Computer Programming Service – Financial Modelling – Finapl
Fers Computer Services Ltd.
St Andrews House
Portland Street
Manchester M1 3LS
Tel: 061-236 1933

Computer Room Environment
Complete Computer Installations Ltd.
Grange Court Yard
Grange Gardens
Pinner Middlesex
Tel: 01-429 0811

Computer Service Bureau
Galdor Computing Ltd.
Unit K
Roan Industrial Estate
Lavender Avenue
Mitcham CR4 3HH
Tel: 01-646 0568

Computer Services for Associations
C M G (West End) Ltd.
Telford House
14 Tothill Street
London SW1H 9NE
Tel: 01-222 3521
Contact: B N Frost

Computer Services & Engineering Consultants
Stemmos Ltd.
344 Kensington High Street
London W14
Tel: 01-602 6242
Telex: 898003

Computer Software – IBM
Altergo Software Ltd.
Imperial House
15-19 Kingsway
London WC2B 6UN
Tel: 01-836 9075
Telex: 8952653 ALSOFT

Computer Software Systems
Cullinane
Premier House
150 Southampton Row
London WC1
Tel: 01-837 9616
Telex: 893332
G P H Typesetting Software Ltd.
1 St Kildas Road
Harrow
Tel: 01-863 4610
Helistar Systems Ltd.
150 Weston Road
Aston Clinton
Aylesbury HP22 5EP
Tel: 0296 630364
Map 21
9 Herbert Road
London N11
Tel: 01-889 7615
R T Z Computer Services Ltd.
103 Jermyn Street
London SW1Y 6EB
Tel: 01-930 4163
Telex: 24639

Computer Stationery Supplies
Datatrek (Southern) Ltd.
1/3 Brixton Road
London SW3
Contact: Mr A Osbourne

Computer Supplier to the Technical & Scientific User
Video Vector Dynamics Ltd.
39 Hope Street
Glasgow G2 6AE
Tel: 041-226 3481/2

Computer Supplies
London Letter File Co. Ltd.
Tenet House
Hookers Road
London E17 6DP
Tel: 01-531 3621
Standard Business Forms
Interface House
70-72 Croydon Road
Caterham
Surrey CR3 6QD
Tel: Caterham 40511

Computer Systems Consultancy
Systems Designers Ltd.
1 Pembroke Broadway
Camberley Surrey
Tel: 0276 62244
Telex: 858280 SYS DES G

Computer Systems/Micro-Controlled Office Equipment
DLA Group of Companies
214 Harlequin Avenue
Brentford
Middlesex TW8 9EW
Tel: 01-568 7331
01-560 3594
Telex: 938708 DLA GRP

Computer Systems & Software House
Leasco Software Ltd.
Reliance House
150-152 Bath Road
Maidenhead Berks
Tel: 0628 23391
Telex: 848557

Computer Terminals, Micros & Computer Stationery etc. Suppliers
Stag Terminals Ltd.
30 Church Road
Teddington
Middlesex TW11 8PB
Tel: 01-943 0777

Computer Training
Agar Computer Sevices
194 Kilburn High Road
London NW6
Tel: 01-328 9232

Computer & Word Processing Supplies
Willis Computer Supplies
P O Box 10
Southmill Road
Bishops Stortford
Herts CM23 3DN
Tel: 0279 506491
Telex: 817425 WILCOM

Computerised Payroll, Personnel & Pensions Administration Systems
Peterborough Data Processing Services Ltd.
Borough House
Newark Road
Peterborough PE1 5YJ
Tel: 0733 41010
Telex: 32307 UNIPAY G

Computers (Business, Personal & Small)
Beaver Systems Ltd.
Norlett House
Dormer Road
Thame
Oxon OX9 3UC
Tel: 084421 5020
Comserve
98 Tavistock Street
Bedford
Tel: 0234 216749
Contact: Mr Cox
Personal Computers Ltd.
194-200 Bishopsgate
London EC2M 4NR
Tel: 01-626 8121
Telex: 888264

Computers & Computer Services
Applied Computer Systems Ltd.
Warwick Gate House
Warwick Road Manchester
Tel: 061-872 8521
Computerautomation Ltd.
Hartford House
Denham Way Maple Cross
Rickmensworth Herts
Tel: 09237 71211
Telex: 922654
Computer Investments Ltd.
1 Bentinck Street
London W1M 5RN
Tel: 01-486 8911
Telex: 922488
Cranfield Computer Services Ltd.
52-54 Bellegrove Road
Welling DA16 8PD
Tel: 01-304 8326
Telex: 896138
Contact: MR J May
Data General Ltd.
Hounslow House
724/734 London Road
Hounslow Middlesex TW3 1PD
Tel: 01-572 7455
Telex: 935384
Datasense Ltd.
Eleys Estate
Angel Road
London N18
Tel: 01-803 8618
Telex: 886801

Data Systems Electronics (Computer Shops) Ltd.
41 The Broadway
Tolworth
Surbiton Surrey
Tel: 01-390 4021/4

Data Type Terminals
Unit 213
Springvale Ind Estate
Greenforge Way
Cwmbran Gwent
Tel: 06333 69162
Telex: 497906

Engineering Computer Services Ltd.
Piccadilly
Tamworth Staffs
Tel: 0827 873300
Contact: Mr D Foster
GEAC Computers Ltd.
Gillingham House
38-44 Gillingham Street
London SW1V 1HU
Tel: 01-828 6235
Telex: 893008 GEAC G
H B Computers Ltd.
22 Newland Street
Kettering Northants
Tel: 0536 520 910
Also on Luton (0582) 416887
Hoskyns Group Ltd.
Africa House
64 Kingsway
London WC2B 6BL
Tel: 01-242 1951
Telex: 893529 HOSKYNS G
I B C Computer Systems Ltd.
Sunderland House
Sunderland Street
Macclesfield Cheshire
Tel: 0625 616399
Input Data (Data Processing) Ltd.
92 High Street
Billericay Essex CM12 9BT
Tel: 02774 55881/2
Telex: 99463
Lowe Electronics Ltd.
Chesterfield Road
Matlock Derbyshire DE4 5LE
Tel: Matlock (0629) 4995
Magnuson Ltd.
Cedar Court
9-11 Fairmile
Henley-on-Thames Oxfordshire
Tel: 04912-78159
Telex: 847298
Micropeople Ltd.
1 Union Street
Long Eaton
Nottingham NG10 1HH
Tel: Long Eaton (06076) 69117
Mills Associates Ltd.
Wonastow Road
Monmouth Gwent
Tel: 0600 4611
Optimus Computing Ltd.
1 Briset Street
London EC1
Tel: 01-253 6775
Pentagram Software Products Ltd.
1b Nightingales Corner
Little Chalfont
Amersham Bucks
Tel: 02404 4941
Petalect Electronics Services Ltd.
33-35 Portugal Road
Woking Surrey
Tel: 04862 69032
Contact: Mr P J Watts
Scotbyte Computers Ltd.
Thain House
226 Queensferry Road
Edinburgh 4
Tel: 031 343 1005
Sun Computing Services Ltd.
138 Chalmers Way
N Feltham Trading Estate
Feltham Middlesex
Tel: 01-751 6695 5044/5
Systime Ltd.
Concourse Computer Centre
432 Dewsbury Road
Leeds LS11 7DF
Tel: 0532 702211
Telex: 556283
Tandem Computers Ltd.
Peel House
32-34 Church Road
Northolt
Tel: 01-841 7381
Telex: 933333
Tylin Management Systems Ltd.
Leon House
High Street
Croydon CR9 3NH
Tel: 01-680 2323
Telex: 8951047
Xitan Systems Ltd.
23 Cumberland Place
Southampton
Tel: 0703 38740

Computers – DEC & Data General
Thomas Business Systems Ltd.
14 Patterdale Close
Bromley Kent
Tel: 01-464 0942

Computers in the Construction Industry
Civil & Structural Computing Ltd.
Ashcourt
2 Ashgrove
Gt Horton Road
Bradford BD7 1BN
Tel: Bradford (0274) 391076

Computers – Purchasers of used IBM & ICL Computers
J & M Computers
Eight Acres
Gt Totham Road
Wickham Bishops
Essex
Tel: 0621 892333

Computers & Terminals Manufacturers for Business
Ampex Great Britain Ltd.
Acre Road
Reading Berks
Tel: 0734 85200
Telex: 847611

Computing Systems
Triad Computing Systems Ltd.
42 Kingsway
London WC2B 6EX
Tel: 01-831 7211
Telex: 8811902 TRIAD

Concrete Cutting Specialists
Speed Drill Ltd.
2 Tiverton Close
Fulwood
Preston Lancs
Tel: Preston 715077 or Blackpool 811730
D S Willcock Ltd.
Hambridge Road
Newbury Berks
Tel: Newbury (0635) 43229/48484

Concrete Drilling, Industrial Maintenance, Shutdowns & Pipework
S R Drilling & Contract Services
56 Lockwell Road
Ashton Bristol
Tel: Bristol (0272) 668877

Concrete Form Work Specialists
Formex (Shuttering) Ltd.
20 Central Road
Worcester Park
Surrey
Tel: 01-337 3841

Concrete Masonry
Forticrete Ltd.
Park Lane West
Bootle
Merseyside L30 6UJ
Tel: 051 521 3545
Telex: 628005 FORTI G

Concrete Products
Albion Concrete Products
Llangodog
Dyfed SA19 9LT
Tel: 055-03 327
Edenhall Concrete Products Ltd.
Barbary Plains
Edenhall
Nr Penrith
Cumbria CA11 8SP
Tel: 076881 366

Concrete Reinforcing Steel
Darim Steels Ltd.
Station Road Industrial Estate
Clowne Chesterfield
Tel: 0246 811456
Contact: Jim Mottram

Confectionery Manufacturers & Wholesalers
A G Pell & Sons Ltd.
8-10 Conway Road
Newport
Gwent NPT 8PA
Tel: 0633 271273 (4 lines)

Conference & Exhibition Centres
Metropole Group of Hotels
Edgware Road
London W21 JU
Tel: 01-402 4141
Birmingham Metropole Hotel
Tel: 021 780 4242
Brighton Metropole Hotel
Tel: 0273 775432

Construction
Losinger Systems Ltd.
Lupton Road
Thame
Oxon OX9 3PQ
Tel: Thame (084-421) 4261
Telex: 837342

Construction Equipment Exporters
G M C Exports Ltd.
Plough Industrial Estate
Kingston Road
Leatherhead Surrey
Tel: Leatherhead 78282/76093
Telex: 927950 GMCEXP

Construction Equipment Manufacturers & Distributors
Aveling Barford Ltd.
Houghton Road
Grantham Lincs
Tel: 0476 (Grantham) 65551
Telex: 37630

Consultancy & Training – Custom Built Software for Micro Computers
Mike Rose Micros
67 Nova Road
Croydon
Surrey CR0 2TN
Tel: 01-688 6013

Consulting Actuaries
Duncan C Fraser & Co.
30 Exchange Street East
Liverpool L2 3QB
Tel: 051 236 9771
6 Branches Nationwide

Containers (Sale & Hire)
Royray Ltd.
Wingate Road
Luton Beds
Tel: Luton (0582) 597491/2
Telex: 825431

Contract Hire – Commercial Vehicles
Sutton & Son (Truck Rental) Ltd.
Eltonmead Road
St Helens
Merseyside WA9 5BW
Tel: 0744 811611

Contract Hire & Truck Rental
Wincanton Vehicle Rentals Ltd.
Wincanton House
Western Avenue
London W3 0SH
Tel: 01-992 3400

Contract Hire, Vehicle Finance & Fleet Management
Wadham Stringer
Raebarn House
Hulbert Road
Waterlooville
Hants PO7 7JT
Tel: 07014 61221

Contractors Plant – Rob Roy
James F Low (Engineers) Ltd.
Monifieth
Dundee DD5 4AD
Tel: Monifieth (038253) 2201/6
Telex: 76373

Conveyor Belt Manufacturers
Umec-Boydell Belting Co. Ltd.
Alma Street
Heath Town
Wolverhampton
W Midlands WV10 0EY
Tel: 0902 56844
Telex: 339496 UMEC

Conveyors
Metalrax Conveyors Ltd.
Bordesley Green Road
Birmingham B9 4TP
Tel: 021-772 8151
Telex: 337039

The Coolie Range of Stacking Trucks
Polymatic Engineering Co. Ltd.
Fazeley Road
Tamworth
Staffs B78 3JR
Tel: Tamworth (0827) 3441
Telex: 34596

Copper & Stainless Steel Fabrication
A Forsyth & Son (Rothes) Ltd.
Coppersmith
Rothes
Morayshire Scot.
Tel: 034 03 210

Cosmetics & Perfumes (Wholesale Supplies)
F G M Cosmetics
10-12 Park Place
Off Cheetham Hill Road
Manchester 4
Tel: 061 833 9652

Cottage Industries
Nancy Vale of London Ltd.
7/9 Bellgrove Parade
Welling Kent
Tel: 01-856 2481
Telex: 912881 A/C NAVALE

Country Club & Restaurant (N Wales)
Fisheries Country Club & Lakeside Restaurant
Afonwen
Clewyd N Wales
Tel: 035 282 461

Courier Services
Conveyerquick Ltd.
Ashburton Road East
Trafford Park
Manchester M17 1AW
Tel: 061 872 7265
Telex: 665420 COQUICK
Also at Sheffield (0742) 464202
London-Paris Couriers
487 Liverpool Road
London N7 8PG
Tel: 01-609 1736
Telex: 8954114
Overseas Courier Services (London) Ltd.
98/104 Baylis Road
Waterloo SE1
Tel: 01-928 3285
Telex: 8812305
Skyway Intercity (UK) Ltd.
Centre Airport Hotel
Bath Road
Longford
Middlesex UB7 0EQ
Tel: 01-759 2400
Telex: 934093

Cranes & Excavators
Atlas Hydraulic Loaders Ltd.
Wharfdale Road
Euroway Estate
Bradford BD4 6SE
Tel: 0274 686827
Telex: 51404 ATSALEG

Crawlers & Excavators – Dealers & Dismantlers
Kedgeworth Ltd.
Parsonage Yard
Sixpenny Handley
Salisbury Wilts
Tel: 07255 556

Crimp Terminations Manufac & Suppliers
Takbro Industrial (London) Ltd.
Victoria Road
Burgess Hill
W Sussex
RH15 9DN
Tel: 04446 45601
Telex: 87587 TAKBRO G

Critical Care Equipment – Intensive, Cardiac & Perinatal Instrumentation
Simonsen & Weel Ltd.
Ruxley Corner
Sidcup
Kent DA14 5BL
Tel: 01-309 0433
Telex: 896328

Custom Range Rovers (Economy Version GE & GES)
M V E S Ltd.
Brook House
Shifnal Salop
Tel: 0952 460422
Telex: 35191 TCIC

Cutting Formes/Rotary Knives
Atlas Dies
Unit 29
Billet Works
Billet Road
Walthamstow E17
Tel: 01-527 6887

Cycle Specialists (Sales & Repairs)
Nortons
2 Church Street
Leamington Spa
Warwickshire
Tel: Leamington Spa 21428
Contact: Mr Norton

Daimler Limousine Hire
Camelot Cars Couriers Ltd.
Headfort Place
London W1
Tel: 01-235 0234

Dams – Portable Fabric
Leigh Flexible Structures Ltd.
Breedon Road
Cotteridge
Birmingham B30 2HT
Tel: 021-458 7494/5

Dancing Schools – Ballroom, Latin American & Disco
Westfield School of Dancing
9 Charlton Road
Southampton
Tel: 0703 24139
Contact: Mrs M A Gouldsmith

Data Communication Equipment
Master Systems Ltd.
100 Park Street
Camberly Surrey
Tel: 0276 28527
Telex: 858180 MASYST

Data Peripherals
Data Type Systems Ltd.
Unit 23 Elliot Road
West Howe Industrial Estate
Bournemouth BH11 8JZ
Tel: 02016 6561/2
Telex: 497906

Data Preparation & Market Research Analysis
Data Computing & Consultancy
9-11 Lower Road
Sutton
Surrey SM2 4QJ
Tel: 01-643 6326/7

Data Processing
Gloucester Data Services Ltd
Gloucester Trading Estate
Hucclecote Gloucester
Tel: 0452 67766

Data Terminals & Micro Computer Systems
Transdata Ltd.
Battle Bridge House
87-95 Tooley Street
London SE1 2RN
Tel: 01-403 5115
Telex: 8952068

Datsun Main Dealers
The Datsun Dealer
Campbell Symonds & Co. Ltd.
Forty Avenue
Wembley Park
Middlesex HA9 9PE
Tel: 01-908 2955
Telex: 923338 DATSUN
Hill Top Garage (Stockport) Ltd.
Tel: 061-480 4423

Datsun & BMW Main Dealers
L Messel & Co.
P O Box 521
100 Old Broad Street
London EC2P 2HX
Telex: 01-606 4411
Telex: 883004 MESLOF
New Hatherley Garage
Hatherley House
Hatherley Road
Sidcup Kent
Tel: 01-300 1126
01-309 1610/1710
Contact: Mr Martin Legge

DEC & DEC Compatible Equipment Suppliers
Lambert Computing
52 Moorbridge Road
Maidenhead
Berkshire SL6 8BN
Tel: Maidenhead (0628) 72037
Telex: 848635 LAMCOM

Decorating Contractors (Industrial & Domestic)
Alan Fitton Decorating Contractors Ltd.
155 Mains Lane
Poulton-Le-Fylde
Blackpool FY6 7LB
Tel: Poulton-Le-Fylde (0253) 895634

Decorating Materials
B Cannon & Co. Ltd.
Kingston Grange
Hopwood Lane
Halifax NX1 4ET
Tel: 0422 50231
Contact: T G Scott Esq

Demolition Contractors
Kiwi Construction & Demolition Ltd.
Gorley Vale Farm
Furzehill
Fordingsbridge Hampshire
Tel: Fordingsbridge 53049

Demolition, Structural Engineering & Cladding
McWeeny Smallman & Co. Ltd.
Gordon House Road
London NW5 1NG
Tel: 01-485-9491 (10 lines)

Dental Crowns & Bridgework
K H E Sell Esq
15a The Precinct
Waterlooville Hants
Tel: 07014 58441

Dental Manufacturers
Denlee Engineering Ltd.
Unit 4
Falcon Road
Adelaide Industrial Estate
N Ireland
Tel: 0232 665022

Design & Building Services to Industry Nationally
Merstan Builders Ltd.
50 High Street
Sittingbourne Kent
Tel: Sittingbourne 21841/2

Design Consultants
Graphex
5 Exmouth Road
Bromley Kent BR2 9HR
Tel: 01-460 4914
Contact: Mr J Messenger
H S A G Ltd.
1 Perren Street
London NW5 3ED
Tel: 01-267 5181
Telex: 21879 ATTHSAG

Design-Print-Point of Sale
Anthony P Jeffreys Ltd.
Greenbridge Road
Swindon
Tel: 0793 27331

Design & Production for Advertising & Graphics
Creative Technique
Cock Yard
82 Upper St Giles Street
Norwich NR2 1LT
Tel: 0603 613925

Designers & Printers
Hemmings & Capey (Leicester) Ltd.
P O Box 164
Leicester LE4 7EU
Tel: Leicester (0533) 768217/8

Developing & Printing
Bonus Print
Freepost
Harrow HA3 0DQ
Tel: 01-451 2852
Telex: 922886

Development & Construction
Hunting Gate Group Ltd.
4 Hunting Gate
Hitchin Herts
Tel: 0462 4444
Telex: 82444

Diamond Distributors
Omnia Diamond Distributors Ltd.
14 Greville Street
London EC1
Tel: 01-242 6956/7

Diamonds for Industry
De Beers Industrial Diamond Division (Pty) Ltd:
Charters
Sunninghill
Ascot
Berks SL5 9PX
Tel: Ascot (0990) 23456
Telex: 848021

Die-Casting, Presswork & Automatic Electro Plating
Farnworth Engineering Co. Ltd. Farnworth Chromium Plating Co. Ltd.
Heaton Mill
Harrow Street
Farnworth
Bolton BL4 7BW
Tel: 0204 72881 71201/2

Die & Sand Casting Specialists
Heddondale Ltd.
Unit N
Creekside Industrial Estate
Stowage
London SE8
Tel: 01-691 4646
Contact: MR J W Bostridge

Diesel Engine Protection Systems
Frank W Murphy Ltd.
178 High Street
Teddington
Middlesex TW11 8HU
Tel: 01-977 0193
Telex: 928063 MURPHY

Diet Treatment Specialists
The Harley Street Diet Centre
57a Wimpole Street
London W1M 7DF
Tel: 01-486 6533
01-935 1371

Disabled (Vehicles) Conversions for Drivers
Cowal Medical Aids Ltd.
32 New Pond Road
Holmer Green
Bucks HP15 6SU
Tel: 0494 714400

Disc Sub-Systems & Controllers
Xylogics International Ltd.
48 High Street
Slough SL1 1ES
Tel: 0753 78921
Telex: 847978

Dispenser – Liquids (Automatic)
Interfax Ltd.
28 Reddicap Heath Road
Sutton Coldfield
W Midlands B75 7DU
Tel: 021 378 2289
Telex: CHAMCOM BHAM 338024 INTERFAX

Display & Storage Products
Display & Storage Products Ltd.
Unit 6
Tysley Industrial Estate
Seeleys Road
Birmingham B11 2LJ
Tel: 021 773 6835
Telex: 339565 THUREX G

Disposable Catering Supplies
W K Thomas & Co. Ltd.
Albany Works
Queens Road
Thames Ditton
Surrey KT7 0RE
Tel: 01-398 7272

Diving Instruction
Divers Down Diving School
The Pier
High Street
Swanage
Dorset BH19 2AN
Tel: 09292 3565
Contact: Mr Dennis Wright

DIY Illuminated Ceilings
G R Kinder (Ceilings) Ltd.
Unit 1
Rochdale Road Ind Estate
Church Street
Middleton Manchester 24
Tel: 061 654 8084
061 653 3170

Doors – Specialists in Factory Traffic Doors
Thomas-Davenport Doors Ltd.
Unit 11
Gainsborough Trading Estate
Rufford Road
Stourbridge
W Midlands DY9 7ND
Tel: 03843 75318/78368
Telex: 335494 TDD

Domestic Central Heating Component Manufacturers
Tower Flue Components Ltd.
Vale Rise
Tonbridge Kent TN9 1RA
Tel: 0732 351555
Telex: 95275

Doors (IND) – Repair, Maintenance & Sales
Shutter Maintenance (Northern) Ltd.
1 New Eagley Mill
Ashworth Lane
Astley Bridge
Bolton BL1 8RY
Tel: 0204 57863

Double Glazing Contractors
Bath Aluminium Co. (South West) Ltd.
104-6 Church Road
Redfield Bristol
Tel: 0272 554380

Double Glazing (Secondary) – Manufacturers
Summit Double Glazing Co. Ltd.
Unit 2
78 South Grove
Walthamstow
London E17 7NJ
Tel: 01-520 8227

Drawing Office & Graphic Supplies
Cannon Graphics Ltd.
69/85 Old Street
London EC1V 9HX
Tel: 01-251 4014

Drawing Office Supplies & Plan Printing & Survey Instruments
D E H Survey Equipment
1160 High Road
Whetstone
London N20 0RA
Tel: 01-446 2224
Contact: Mr David E Hudson

Drill-Tap Attachments/(Vertomat) Rotary Transfer Machines
Ackworthie Machines (Div of Oakside Industries Ltd.)
Oakside
Oxford Road Ruislip UB9 4DX
Tel: 0895 36313
Telex: 8954606

Drilling Contractors
Dentool Ltd.
William Street
S Gosforth
Newcastle-upon-Tyne 3
Tel: Gosforth (0632) 853945

Drilling, Pressure Grouting, Piling & Soil Mechanics
The Groundworks Group of Companies
Ham Lane
Kingswinford
Brierley Hill
W Midlands DY6 7SU
Tel: Kingswinford 277371
Telex: 336718 WKS G

Dry Cleaning Specialists
Clean Inn Centre
16 The Avenue
London E4
Tel: 01-531 3010

Dust & Contamination Control
Dust Control (Scotland) Ltd.
Seaforth Road (South)
Glasgow G52 4XA
Tel: 041-882 3518
Telex: 779964
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TECHNOLOGY

EDITED BY ARTHUR BENNETT AND ALAN CANE

Mighty mouse nibbles at the office revolution

Xerox spearheads the changes in its office strategy with the Star Information System. ALAN CANE reports.

"THE darkest horse in this race," the marketing manager of a major office equipment company said a few weeks ago "is Xerox. When is it going to make progress in the market?"

The market he was talking about was word processing. Xerox showed its hand two days ago and demonstrated that it had taken the greatest *step yet in bringing visions of* the "electronic office" to reality.

It announced a product in the U.S. called, prosaically enough, the "8010 Star Information System." The Star, however, is a multifunction workstation with a selection of facilities which puts it far ahead of most "word processors" or computer terminals. Multifunction workstation is a mouthful of jargon which *wraps up a lot of the concepts* electronics engineers are trying to build into the electronic office of the future.

In its most advanced form, it would involve a complete electronic replacement for the office desk, telephone, typewriter and filing cabinet.

The Star does not go that far but it gets as close with today's technology to the Xerox philosophy of providing the executive with "electronic paper and pencil."

The Star is one of the first commercial products to come out of a research programme which has been running for more than 10 years now at Xerox's Palo Alto Research Center, California.

Two of the more important projects conceived there led to the creation of the "Alto." a simple-to-use personal computer, and "Ethernet," a cheap and rapid way of moving information around and between offices.

The Star Information System is simply "Son of Alto." Those ten years of hardware and software development have led to a commercial system which embodies features fresh out of the research laboratories, but tested experimentally in the Xerox organisation.

The dominant feature of the Star is a large wide screen on which both text and images can be created. What appears on the screen can be controlled and manipulated by the keyboard, a fairly simple, portable device, and by the "mouse" a palm-sized rectangular box attached to the system by a long flexible wire.

The mouse can be slid in any direction on the top of the desk on which the workstation rests—and its movement is reproduced on the screen.

The mouse can be used to point to items on the screen —features from a menu of facilities for example—or to draw freehand diagrams, using keyboard commands to tidy-up the finished product. The screen is electronic paper; the mouse, an electronic pencil.

According to Xerox: "The professional can do most of his work, other than composing text, by using the mouse and only four main function keys on the keyboard. He or she can store and retrieve information, print a document, send electronic mail, draw a diagram, change typefaces and sizes and have spelling checked by an electronic dictionary."

But, perhaps, the most dramatic feature of the Star is the futuristic use Xerox has made of the visual display screen. In the most advanced ideas of the electronic office, the screen replaces the desk and everything on it. The Star goes some way towards this ideal by displaying images—or icons—of familiar office *tools such as filing cabinets,* desk drawers, documents and the like.

The user simply points to the icon representing, say, a desk drawer with the mouse, and "opens" it by pressing a key.

The contents of the drawer are listed on the screen and individual documents can be selected from the list and displayed. If hard copy is required, the user simply touches the printer icon *with* the pointer and the document is automatically printed.

The Star is part of the Xerox 8000 network system, launched six months ago, which includes products such as an office file that holds up to 10,000 pages of electronic information, a laser xerographic printer which can match the fine resolution of the Star display and communications units.

All parts of the system are designed to communicate with each other through Ethernet, Xerox's local area network. This is a length of coaxial cable, up to 1,500 metres in length, to which all the devices can be attached through a simple connector.

Information moves at up to 10m bits a second along the cable under the control and management of software in the devices themselves.

The Star will be available in the U.S. later this year at U.S.$16,595 a station. It will be launched in the UK next year but no British price has yet been set.

Alto and Ethernet have provided an experimental communication system for the entire Xerox organisation for the past few years. It is one of the most extensively tested electronic communications systems known.

Xerox's dark horse has inspired a generation of challengers over the years. Now it is genuinely in the race for the highest stakes.

Double print hat-trick for Crosfield

IT'S A DOUBLE hat-trick for Crosfield Electronics. It won the Queens Award for Exports in 1973, 1976 and 1979; now it has added this year's award for technology to those it won in 1967 and 1972.

Crosfield—part of the De La Rue group—is a specialist in advanced printing technologies. It was the first company in the world to introduce colour separations in one pass using optical techniques linked to digital technology.

Conventionally, coloured photographs are split up during processing into the four colours used in printing—cyan, magenta, black and yellow—using filters to give "separations." These are used to make the printing plates.

The Magnascan system determines the colour composition optically on a single pass and stores the information as coded electronic impulses.

This year's award is for the Magnascan 570 system which enables a page designer to create an entire colour page on a visual display screen before producing the individual colour separations for the printer.

Ever conscious of the rapid pace of technological development in this field—and of the competition with its major rival, Hell of West Germany, Crosfield two weeks ago launched a colour visual display terminal for the 570 system.

This new facility will give the operator remarkable advantages. All the information from the colour image is stored in the computer memory as electronic signals. It can be manipulated at will.

Photographs can be modified or retouched on the screen—if the complexion of a model's face for a front cover is less than perfect, the flaws and blemishes can be airbrushed away electronically at the touch of a key. Crosfield is on 01-272 7766.

Xerox shows its hand with a new multifunction workstation.

Science Council claims £1m a year Rolls-Royce saving

THE Science Research Council claims that more than £1m a year is now being saved by Rolls-Royce *with a new method* of grinding aero engine components developed in collaboration with Bristol University engineering research workers.

The technique derived from research, initially, funded directly by the Science Research Council at the university and latterly by the council and Rolls-Royce.

The programme began 10 years ago as one of the projects of the Bristol team, *then examining* the problems of high stock removal grinding.

Creep-feed grinding was included in the overall programme because it had shown promise when used on difficult metals in industrial trials. But the *mechanics of* it were not understood and it did not comply with accepted practice.

It was, therefore, regarded as a suitable subject for further research. At that stage the project was conducted on conventional lines, with SRC research grant and student salary support and an informal link with Rolls-Royce, which provided test material and technical advice so that efforts could be concentrated on the *real problems.*

By 1974 the causes of one of the main practical limitations to creep-feed grinding, known as "surge," had been established and suggestions made for its alleviation.

Part of the work, on coolant application, was pursued in co-operation with AE(TC). The Rolls-Royce-backed project concentrated on examining the effects of grinding wheel speed and on a new technique of sharpening the wheel. Called continuous dressing (C-D), this technique led to reductions in heat input and potential thermal damage while increasing the rate of metal removal, says the SRC.

Further research findings included the possibility of 20-fold increases in metal removal rate. Although the Bristol University team had clearly reached a stage when the C-D process looked industrially promising, unknown factors still existed and there was an element of risk that could be resolved only by factory tests.

The centre of activity then moved to Rolls-Royce at Derby, and in November, 1979, a machine was operated in C-D mode for the first time within a production schedule.

By December last year about 80 per cent of the critically important grinding operations in RB-211 turbine blade production had been converted to C-D.

..POINTERS..

3M copiers

MICROPROCESSOR electronics and dual-paper cassettes are features of two new photocopiers introduced by the copying products group of 3M United Kingdom (0344 26726). The larger, known as the 565, is an A3 copier designed for offices making 3,000 to 15,000 copies a month. The smaller 545 is intended to produce 2,000 to 6,000 copies a month.

Both machines have a Sensitron electronic scanner claimed to give optimum copy quality from a wide range of originals. This device automatically adjusts the copying exposure as a coloured or complex original document is "read" over its whole length. It is claimed that the print image is enhanced and the background played down to give clear, legible black and white copies with no greying-over effect.

On the 565 the digital display of the microprocessor diagnostic control unit indicates where the operator should look if a paper sheet becomes misfed.

Traffic data

DESIGNED to collect accurate road traffic data, two new systems, one for vehicle tagging (VETAG) and the other for vehicle location (LOTAG), have been introduced by the Cambridge-based communications and control division of *Philips* Business Systems, until recently known as Pye Business Communications (0223 45191).

The VETAG system comprises three basic units: an interrogator unit, located along the road; a wire detection loop buried under the road surface; and a small transponder (tag) fitted underneath the vehicle. The interrogator unit sends an electrical pulse through the loop at the rate of 40 times per second. When a vehicle tag passed over the loop a signal is sent to the interrogator unit through the loop.

The interrogator unit then decodes, checks and stores the signal before translating it into commands for the local control functions, for example the operation of traffic lights or the lifting of barriers.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

BIM SURVEY

Executive fringe benefits coming under pressure

BY ARNOLD KRANSDORFF

GOVERNMENT measures to curb the proliferation of fringe benefits are having a perceptible effect, according to the latest national management survey by *the British Institute of Management.*

Telephone allowances and help with school fees, which together with many other "perks" have become taxable in recent years, have been hard hit. The effect on company cars has been mixed, *but private medical insurance,* on the other hand, goes from strength to strength.

The BIM survey, considered to be one of the most authoritative in the UK, is based on a sample of more than 38,000 executives from 344 companies spread throughout the economy.

During the 12 months to January 1981, gross earnings of UK managers increased by 17.3 *per cent, slightly less than the* overall national average of 18.9 per cent. At the lower end of the management scale, average annual salaries increased from £7,449 to £8,929, while the chief executive's gross average annual income went up from £31,388 to £35,001, a figure which BIM expects to rise to £38,300 in the current year.

As far as non-financial remuneration is concerned, fewer individuals received a telephone allowance during 1980-81. Two-thirds of the organisation indicated that such an allowance was paid to one or more individuals, though *only a fifth were* reported as receiving such an allowance, compared with a quarter 12 months previously.

A total of 39 organisations reported that they offered assistance with school fees to some *or all of their executives.* Among the larger companies the number of directors enjoying this benefit slipped from 13.5 *per cent to 10.9 per cent* while the numbers of supporting managers getting help with school fees dropped from 9.6 per cent to 7.3 per cent.

BIM discloses that almost all directors and about 43 per cent of supporting managers were reported as having the use of a company car. At senior manager level and above there was little change on the figures reported 12 months earlier.

Allowances

In contrast, however, there was a *significant* change in the lower level of middle management in favour of car allowances. In this bracket the number of individuals with company cars dropped from 35 per cent to 15 per cent while those in receipt of a car allowance increased from 11 per cent to 39 per cent.

BIM says that it is clear that several organisations are changing their attitude on company cars at the less senior levels away from the capital intensive purchase/lease arrangement to a simple, controllable allowance method—"quite possibly to the benefit of the individual from the income tax position, as well as the company."

The survey also finds that the movement towards longer holidays continues with nearly two thirds of directors and just over a half of supporting managers reported as enjoying five weeks' annual leave or more. This compares with 1974, when less *than a third of executives* received more than four weeks holiday.

Most companies reported that they *provided some form of* assistance with private medical insurance schemes for their managers. The number of individuals covered increased by 10 percentage points to 55 per cent in 1981.

It seems, too, that the movement towards younger managers has eased back. BIM notes that nearly 54 per cent of supporting managers were under 45 compared with nearly 57 per cent in 1980.

**National Management Salary Survey 1981, published by Remuneration Economics in association with BIM, available from 51, Portland Road, Kingston-upon-Thames, Surrey.*

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Zero rate VAT

I note from your issue of March 4 that you state a printer's bill in relation to a quarterly magazine should be subject to VAT on the grounds that this is not a supply of a booklet or a pamphlet. Is it not the case that providing the printer supplies a complete magazine, he will have supplied a book or a booklet and therefore his bill should be zero rated?

We have been in touch with the Customs and Excise who confirm that the rule relating to zero rated supplies is as you state. Our interpretation of the legislation was obviously more harsh than that of the Customs and Excise.

Closing down losses

A sole trader closes down his business in this tax year 1980-81, due to retirement. When the accounts are made up to the end of this month, they are likely to show a trading loss. Can this loss be carried forward and set off against the income for the next tax year 1981-82 which will consist of the state retirement pension, plus investment income?

No; unfortunately a loss in the final year of trading cannot be carried forward.

It can, of course, be set against other income of the tax year (1980-81). There is also a possibility of carrying the final year's trading loss backwards, for up to three years (i.e., to 1979-80, or (if the 1979-80 assessable trading profit is too small to absorb the loss) to 1978-79, or (subject to similar conditions) to 1977-78). The rules are complex, but your accountant should be able to guide you through the maze of optional tax reliefs.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Arnold Kransdorff on Dunlop's aims in heavy tyres

Shifting track in hope of better days

Roger Taylor

Mike Farebrother: "In the past we didn't have a good reputation for quality. Now we have been able to change the emphasis"

FOR A man whose industry is in such poor shape, Mike Farebrother is very cheerful indeed. With an apparent disregard for market canditions, his company is backing him to the hilt to prepare for better days—when they eventually arrive.

Farebrother works for Dunlop in its tyres business. He makes tyres for heavy trucks, a market which is in dire straits.

Yet Dunlop, which recently divisionalised its tyre activities for the first time, is spending £15m on the modernisation and expansion of its truck tyre operations over a four year period. From a management point of view it has also given Farebrother a virtually free hand.

Farebrother is director and general manager of Dunlop's truck division at Fort Dunlop, near Birmingham. An engineer by profession, he started his career with Lucas and joined Dunlop in 1965, *first in the tyres* division and subsequently in the engineering division.

Split its operations

He was brought back into tyres in November 1979 at around the time that Dunlop decided to *split its tyre operations* — until then managed under the umbrella of a highly functionalised single division. Now there is a truck division, and a car division — which market only to vehicle manufacturers—and a replacement selling division, which covers the replacement market.

Farebrother's task was to improve the quality of the product, utilise capacity more effectively, and reduce costs.

In the event he claims to have achieved all three in large measure, and to have increased the *division's market share as* well—all this at a time when market conditions have never been worse.

In a good year the UK market for heavy truck radial tyres would total upwards of 1.6m. In 1980 it fell to around 1.4m and the major manufacturers are estimating that the current year will see a demand for no more than 1.2m.

Much of this downturn is a direct result of the depressed original equipment market. In 1979 this accounted for around a third of total demand, a figure that is expected to slip to about a quarter this year. Farebrother estimates that the OEM truck market has slumped by more than a third in the past 12 months alone.

For example, production of Ford's new range of Cargo trucks is currently at half the level expected before launch, while Leyland only produced a *total of eight heavy vehicles* on one particular day this month. ERF, another major manufacturer, which used to make 20 trucks a day, is now only turning out *20* a week.

All this has led to some radical rationalisation throughout the heavy tyre industry. Dunlop *itself has pulled* out of the so-called mileage market (renting tyres to bus fleets). And one manufacturer—Firestone—has closed all its UK production units.

Against this background Dunlop has, in fact, increased its production of truck tyres—from 220,000 in 1979 to 286,000 in 1980. In 1981 Farebrother estimates that 300,000 will roll off the production line, giving him a market share of around 14 per cent—an increase of a couple of percentage points since he took over.

Michelin still holds the premier share of the trucks tyre market with around 50-55 per cent.

As truck tyres have, historically, been subsumed into Dunlop's overall tyre operations, no accurate profit figures are publicly available. Farebrother is reluctant to be specific anyway, because he does not want to reveal sensitive information to his competitors.

According to last week's announcement of profit figures for 1980, Dunlop's worldwide tyre activities contributed £13m to group operating profit of £50m (£66m). But tyre operations in the UK incurred an increased loss of £22m, against a deficit of £11.5m in the previous year.

Farebrother admits that the trucks division has been losing money for at least three years "but we hope to be in the black in 1982."

His confidence is partly based on the hope that market conditions will start improving in the short term, at which time prices can be raised above loss-making levels.

Two years ago a truck tyre for the OEM market cost an average of about £95, and roughly £120 for the replacement market. Today, the prices are £85/£90 and £85/£105 respectively. Farebrother calculates that at *current prices,* demand would have to rise by 25 per cent in order to start making money.

But his confidence is also based on the achievement of management objectives over the past 18 months. "In the past we didn't have a good reputation for quality," *he admits.* "Now, we have been able to change the emphasis."

This has been done not only *with new machinery but with* the help of a three-pronged approach involving so-called problem-solving groups. These have brought together operatives with supervisors and technical managers to work out more efficient methods of production.

Improved tyre uniformity

In the first place the factory has improved tyre uniformity by tightening radial and lateral tolerance to a level which Farebrother claims is unsurpassed elsewhere in the industry. *Secondly it has also improved* tyre casing structure performances "which gives increased retreading opportunities for *second life remoulds.*"

And quality is now checked through 100 per cent X-ray inspection.

"A real measure of quality can be seen in the level of defective concessions, i.e., how much we have to refund customers because of defective tyres," says Farebrother. "In 1981 this cost to Dunlop has fallen for the first time, despite our increased market share."

Farebrother also claims to have made great strides in increasing output, mainly through updating plant and the use of computers. To this end he has spent about £10.6m to date, with £2.3m of new machinery to come on stream by mid-1982.

"Output has increased by a quarter, for a reduction in the number of operatives employed of about 18 per cent to 600 over the past 18 months," he says.

This reduction in the workforce, which includes some of the redundancies from Dunlop's Speke factory closure in 1979, *has also contributed to cutting* costs, which have not risen for two years.

Output has, in addition, been linked to an incentive scheme based on piecework—another factor which Farebrother believes has contributed to the factory's better productivity.

Farebrother has also streamlined his management structure by reducing the number of layers. Previously, there were seven. They have now been cut to four—general works (including marketing), production, supervision and operative.

"We have shortened the lines of communication by amalgamating certain functions, and given the OEM customer just one point of contact," he says.

At the age of 39, Farebrother has been given an onerous responsibility but he is certain that he is doing all he can to put the trucks division in a healthy state in readiness for the upturn.

His track record is certainly *good.* When he *was* running Dunlop's plant and equipment division (part of the engineering group) he achieved a turnround from a loss of £200,000 to a profit of £400,000 in three years.

He clearly has a similar vision in mind for his present, much larger responsibility.

LOMBARD

Economics for the people

BY JOHN CHERRINGTON

MRS. THATCHER is continually asserting that there is no other way than her version of monetarism to solve Britain's problems of inflation, lack of competitiveness and general economic debility. Not having had a formal economic training I am in no position to judge the correctness of her views, nor I notice are economists united on the subject either. But I have been staying in two countries recently which share in many respects the same past and present problems as Britain but whose inhabitants have not been made to suffer the hair shirt policies with which we have been inflicted.

Money flood

Australia and New Zealand both share a common political system and trade unions of a strength, militancy and irresponsibility even exceeding those of our own. New Zealand, like Britain a few years ago, has a chronic balance of payments deficit, in her case caused by the difficulty of selling sufficient primary products, which comprise 80 per cent of exports, to make ends meet.

Australia is now basking in the sunlight of a mineral resources explosion after struggling for years to support its overseas trade with the proceeds of an agriculture dependent on a harsh and unstable climate, which still provides nearly 50 per cent of export income. This is keeping the balance of payments in the black and possibly more importantly attracting a flood of overseas money to feed a steady stock exchange boom.

Britain in the first of these situations had been clobbered with a credit squeeze and all that went with it. Today the strong £ based on our oil resources has, it appears, done nothing for the industrial base but caused unemployment, loss of profits and the flooding of markets by a mass of imports.

They do things differently down under. In New Zealand the inflation rate is 16 per cent and to get over the little trouble of a weakening currency, the Government has arranged for the New Zealand dollar to float, which it does downwards at a rate of about ½ per cent monthly. Nobody much seems to worry.

The Stock Exchange rose by 50 per cent last year, land and house prices are rising and the centre of Wellington is one vast buliding site on the scale of the Heath-Barber boom. Unemployment is an officially low 3 per cent, thanks partly to the safety valve of emigration to Australia. Almost everyone has a material standard of living considerably better than his British contemporary. True the cars are rather older, but then petrol is less than £1 a gallon.

The Australians are even better off. The cars are newer and petrol cheaper. Eighty-five per cent of them live in suburban surroundings with no knowledge of the realities of the farming or the mining which support them. Unemployment is around 6 per cent and said to be falling. Unlike New Zealand there is a substantial base mainly for home consumption.

But Australian industry is not exposed to the harsh winds of competition. Tariffs and quotas keep out many of the competitive products which could come from Japan, the Far East, Europe or America. The Australians scream loudly against the protectionism of the EEC, but turn a deaf ear to the complaints of their neighbours. There is, it is true, a small voice of free trade liberalism nagging for some reduction of barriers. But is is not a voice that carries very much political weight.

Refusal

The free trade issue could become more important if and when the mineral boom really takes off, and particularly if sufficient oil is found to wipe out energy imports. Are the Australians, apart from the minority occupied in farming and mining, to be turned into pensioners, enjoying the sunshine and the beaches interspersed with a few short hours of work in the service industries? Because that is what would have to happen were protection to be withdrawn.

It does seem to me that by their refusal to accept the stern disciplines of monetarism and other orthodox economic dogmas, the Governments of both Australia and New Zealand have ensured the fulfilment of the democratic maxim that government should be for the greatest good of the greatest number. Will it last? No one knows. But if it does it will make Mrs. Thatcher's economic experiment look silly.

Sow in May—and go away

GARDENS TODAY

BY ROBIN LANE FOX

I HAD been planning a frolic on the subject of spring. There would have been fine words on *the lily flowered tulips, some* poetry on primulas and a touching story about the origins of Crown Imperials. I had found a place to go a-Maying and soon, there would be hare bells along the road.

The plan, quite literally, was put on ice. By Sunday morning, the tulips were flat in a snow drift.

Of all the odd freaks of weather, last weekend has to *rank as the most extraordinary.* There have been snowfalls in May in my memory, but they lie for a few hours at most. I have never spent an early Sunday morning in April shaking four inches of snow off a cistus and rubbing ice cubes off a flowering Ribes.

Miraculous

Plants have a way of raising themselves miraculously when they look flat and dead, but even the cow parsley prefers to surrender and spend the next few days on its face. I have never seen red Darwin tulips against snow before and I hope I never do again. In Scotland, perhaps, it is less unusual, but it leaves me with some awkward gaps.

The faster they grow the further they fall; old market experts among my readers will not be surprised to discover this truth in the garden too: I lost *the branches of poplars which* have climbed 20 feet in five years. Large ceanothus split badly at the base and will have to be propped and tied if they are to survive their own weight.

Cistus, rhamnus and the bupleurum which I praised only last month were knocked flat by a thick snowfall and as fierce a wind as I remember. I have removed all the split branches on these quick shrubs and cut *my losses on young branches* which are too thin to be bound up.

The evergreen framework in my garden has been trampled through its middle. Climbing roses have split on their side branches and a standard amelanchier has been knocked out of line while still in flower. So much for my big groups of Tulip Apricot Beauty, which have had their heads blasted off them.

Like all bad weather, it ran in a belt and seems to have left some Londoners wondering what the fuss was about. I will miss my hoheria and two branches on a maturing white magnolia soulangiana. I hope at least I can console those of you who have lost far older *friends.*

My policy of planting quick growing shrubs seems about as plausible as a plan to drill oil on Snowdon. Props, stout twine and a compound for seal*ing exposed wood will help to* save some of it. The rest will have to be met with plants which grow even faster, so long as it does not snow in time for the Derby.

More than ever, I will look to climbing annuals to fill my gaps. They can be grown over shrubs which the weather has flattened. They can be trained up tall tripods of bamboo cane and wire mesh wherever a large branch has gone to the bonfire. Nasturtiums will have a fine year of it, as it is not time to sow them until early May. Do not be cheated of the tallest climbing varieties by all the publicity for the small reds and scarlets which grow only six inches high. This year, I will be glad of some giants like quick-growing beanstalks.

Under glass, you could still start seed of the climbing hop and expect to see it high up a wall by late summer. The golden leaved form is outstandingly pretty and if it takes a spring snowdrift to introduce you to it, not all will have been lost.

Next month, pot grown plants of the excellent cobaea will be appearing in city garden stores and I hope that you will not let them pass. Even in a mild spring, these rapid climbers are superb value, racing up any wall which gives their twisting tendrils a foothold on wire or netting. *One plant will cover* a height and width of eight feet or more in a season and will make light of the trellis in a new town garden which cannot offer full sun all day.

The flowers are shaped like the single cup of a Canterbury bell and come in a quiet shade of purple mauve, which I find rather attractive. The lovely white form does not seem to make it to the market, but it is late now to begin raising your own. A cobaea or two will make up for any casualties on windswept walls, though it will not survive for a second year.

The scarlet flowered eccremocarpus is a frequent companion in good shops and on a warm wall it is even more splendid. I find that mine like to live quite well and respond to feeding in their youth. They will shoot many feet high and their elegant glaucous frills of leaf are a lovely match for the small scarlet trumpet of flower. They are much *easier than the* tantalising Morning Glory which has never succeeded with me except in a pot in a cold green*house.*

Sweet peas, naturally, need no further praise, but gardeners with gaps should not forget that young seedlings in peat pots will be prominent in the shops from May onwards and will solve many gaps wherever the ice struck hardest.

You do not have to grow sweet peas only on long rows of canes and wires. Two or three plants will run beautifully up a small tripod of bamboo and can be used very elegantly down a border which needs height.

Last summer, I admired a splendid new border in a reader's young garden where sweet pea clumps on tripods gave height among the developing day lilies, quick growing geums and well chosen masses of the easy white valerian along the front row

I cannot think how sweet peas came to be equated with spare ground in the vegetable garden. Of course, they can be manured and fed in a well dug trench in such a site and can spend an hour every summer morning tying in one shoot to each special bamboo cane. But sweet peas will run wild and flower in less specialised areas. In a border, a few go a long way fast.

This year, I am counting on them to make up for a broken buddleia. They are best, however, in open ground away from a wall which tends to be dry at its base.

Old wisdom, perhaps, has been the only winner. Every year, I am tempted to advance the calendar. Our droughts have been so crazy and our monsoons so haphazard that I look back *on the* old garden timing and wonder if it is out of date. But half hardy annuals are still best bedded out around June 1 on my north slope.

Relevant

The soil refuses to warm up *for dwarf French beans until* mid-May and autumn-sown annuals take a beating at one end or the other—and nothing much comes of my late March *broadcast sowings of hardy* poppies.

One freak snowfall, and caution seems horribly relevant. Sow in May and go away: this year, you have lost nothing by waiting.

Piggott is expected back today

RACING

BY DOMINIC WIGAN

LESTER PIGGOTT will be back in action at Ascot today provided he is given the all-clear by the racecourse doctor. In spite of his enforced absence *Piggott has remained an odds-on* favourite to regain the Jockey's Championship he last won in 1971. He will be disappointed if he does not return with at least one winner.

His mounts include the highly-rated Lady Be Mine and Rabdan, the top weight for the day's most valuable race, the Autobar Victoria Cup.

Piggott's sole Victoria Cup success was in 1966 when he rode Mr. David Robinson's Enrico to victory. Yet he seems assured of a good ride on Rabdan, whose owner Essa Alkhalifa recently turned down a substantial offer for the horse.

However, under 10st 3lb the four-year-old has a particularly severe task in front of him. Backers will do well to look elsewhere for betting value.

A more attractive proposition is Jester's Boy, in receipt of 16lb from the Newmarket-trained top weight. A handsome bay son of John Splendid, Jester's Boy showed greatly improved form at about this time a year ago when easily accounting for Anna Batic over six furlongs at Windsor.

Although he failed to win again in five subsequent attempts, *the Paul Cole-trained* four-year-old went on to produce several useful displays. These included a third-place effort in the Northern Goldsmith Handicap at Newcastle.

Jester's Boy, whose handler has an enviable record here, will be in fine trim inspite of the lack of a recent outing. At expected odds of about 12-1 he represents sound each-way value.

Lady Be Mine is a bay filly by Sir Ivor out of the Princely Gift mare My Advantage. I hope she ensures Piggott's return to the winner's encloseure for the 3,714th time, with a *win in the Aimers Coffee* Stakes.

In her only previous race Lady Be Mine caught the eye on her home track, the Rowley Mile course, with an encouraging fourth-placed run in the seven-furlong Elveden Maiden Stakes. An additional furlong this afternoon will suite her admirably.

ASCOT

2.00—Lady Be Mine**
2.30—Son Fils
3.05—Jester's Boy***
3.40—Cut Above
4.10—Swing Fire*
4.40—Red Toff

TV/Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra High Frequency only). 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45-2.00 Bagpuss. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2 11.00 am). 4.20 Hong Kong Phooey. 4.40 Clock On at the Laughter Factory. 5.00 John Craven's Newsround. 5.05 The Bagthorpe Saga. 5.35 The Amazing Adventures of Morph.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
7.00 Tom and Jerry.
7.15 The Wonderful World of Disney.
8.00 Terry and June.
8.30 Lena.
9.00 News.
9.25 The Risk Business.
10.00 Sportsnight.
11.00 Paperbacks with Robert Kee.
11.37 News Headlines.
11.40 "Joggers" by Bill Morrison.

All Regions as BBC1 except as follows:

CYMRU/WALES—5.05-5.35 pm Think Again with Johnny Ball. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.30-8.00 Cwlwm Sl. 8.00-8.30 The Centenary Rugby Quiz. 12.10 am News and Weather for Wales.

SCOTLAND — 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.00-11.00 World Cup Sportscene: Northern Ireland v. Portugal. England v. Romania (highlights). 12.10 am News and Weather for Scotland.

NORTHERN IRELAND—3.53-3.55 pm *Northern Ireland News.* 5.55-6.20 Scene Around Six. 10.00 Sportsnight: World Cup Football. England v. Romania. Northern Ireland v. Portugal. 11.37 News *Headlines. 11.40 Paperbacks.* 12.15 am News and Weather for Northern Ireland.

ENGLAND—5.55-6.20 pm Look East (Norwich); Look North *(Leeds): Look North (New*castle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (South*ampton); Spotlight South West* (Plymouth).

BBC 2

6.40-7.55 am Open University.
10.20 Charbar.
11.00 Play School.
1.45 pm Racing from Ascot.
4.50 Open University.
6.55 Hope Bourne—Woman of Exmoor.
7.25 Mid-Evening News.
7.35 Did You See?
8.10 Orpheus and the Gentleman Farmer.
9.00 Rhoda.
9.25 The Life and Times of David Lloyd George.
10.35 The Making of Mankind.
10.45 Newsnight.

LONDON

9.30 am A Big Country. 9.55 Friends of My Friends. 10.20 The Outsiders. 11.05 The Adventures of Niko. 11.30 Alphabet: The Story of Writing. 12.00 The Munch Bunch. 12.10 pm Rainbow. 12.30 About Britain. 1.00 News, plus Weather and FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 Project U.F.O. 3.45 Play It Again. 4.15 Five Magic Minutes. 4.20 Whizzkids Guide. 4.45 Echoes of Louisa. 5.15 Mr. and Mrs

5.45 News
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Where There's Life.
7.30 Coronation Street.
8.00 TV Times Top Ten Awards.
8.30 "If You Go Down in the Woods Today," starring Eric Sykes.
10.00 News.
10.30 "Bullitt," starring Steve McQueen, Jacqueline Bisset and Robert Vaughn.
12.35 am Close: *"Sit Up and Listen"* with Sir Frederick Catherwood.

All IBA Regions as London except at the following times:

ANGLIA

9.30 am Pavilion Folk. †10.00 "Conspiracy of Hearts," starring Lilli Palmer, Sylvia Sims and Yvonne Mitchell. 11.50 The Bubblies. 1.20 pm Anglia News. 2.45 Story Hour. 6.00 About Anglia. 10.30 The Wednesday Film: "In Old San Francisco," starring William Shatner. 12.15 am The Big Question: Reincarnation.

ATV

9.35 am Something Different. 9.50 Tennis with Mark Cox. 10.00 Alphabet: The Story of Writing. †10.30 Morning Cinema: "The History of Mr. Polly," starring John Mills. 1.20 pm ATV News. 2.45 Julie Anthony's First *Special. 5.15 Survival. 6.00 ATV* News. 6.05 Crossroads. 6.30 ATV Today. 10.30 ATV News. 10.35 The Mid-Week Film: "I Walk the Line," starring Gregory Peck.

BORDER

9.30 am Jabberjaw. 9.55 Friends of Man. 10.20 Export Scotch. 10.45 Chopper Squad. 11.35 George Hamilton IV. 1.20 pm Border News. 2.45 Fantasy Island. 5.15 University Challenge. 6.00 Lookaround Wednesday. 10.30 The *Monte* Carlo Show. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where and Weather. 2.45 *It's a Musical World (David Gates).* 5.15 University Challenge. 6.00 Channel Report. 10.28 Channel Late News. 10.35 The Midweek Film: "Before Winter Comes." 12.25 am News and Weather in French followed by Epilogue.

GRAMPIAN

9.55 am First Thing. 10.00 Feature Film: "A *Night* to Remember," starring Kenneth More. 1.20 pm North News. 2.45 The Love Boat. 5.15 *Diff'rent Strokes. 6.00 North Tonight* 10.30 Tenspeed and Brown Shoe. 12.30 am North Headlines.

GRANADA

9.30 am Last of the Wild "Sahara." †9.50 Wednesday Morning Matinee: *Arthur Askey and Richard Murdoch in* "Band Wagon." 11.00 Sesame Street. 1.20 pm Granada Reports. 2.45 Fantasy Island. 5.15 Happy Days. 6.00 Granada Reports. 6.25 This Is Your Right. 10.30 S.W.A.T. 11.25 Rockstage.

HTV

9.45 am The World We Live In. 10.10 The Secret Mendips. 10.40 Spiderman. 11.00 Sesame Street. 1.20 pm HTV News. 2.00 Houseparty. 2.25 "Home to Stay," starring Henry Fonda. 5.15 Dick Tracy. 5.20 Crossroads. 6.00 Report West. 6.30 Survival. 10.28 HTV News. 10.35 "Rachel, Rachel," starring Joanne Woodward.

HTV CYMRU/WALES—As HTV WEST except: 12.00-12.10 pm Ffalabalam. 4.15-4.20 Rushin' Roulette. 4.45-5.15 Straeon Y Byd. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Clwyd Young Musician of the Year. 10.35 Festival of Celtic Film. 11.20-11.50 Superstar Profile.

SCOTTISH

9.55 am Poetry of Landscape. 10.10 Sesame Street. 11.10 The Nature of Things. 1.20 pm News Headlines and Road and Weather Report. 2.45 It's a Musical World. 5.10 Tales of Crime. 5.20 Crossroads *6.00 Scotland* Today. 6.20 Toye's Talk Back. 6.30 Sounds Gaelic. 10.30 Encore for the Arts. 11.15 Late Call. 11.20 Kate Loves a Mystery

SOUTHERN

9.30 am Island Treasure. 10.20 Chopper Squad. 11.20 Wild, Wild World of Animals. 11.45 Cartoon Time. 1.20 pm Southern News 2.00 Houseparty. 2.25 Story Hour. 3.15 Life *Begins at Forty.* 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 6.35 Scene Midweek (South East Area only). 10.35 Indoor Cricket. 11.35 That's Hollywood.

TYNE TEES

9.20 am The *Good Word. 9.25 North* East News. 9.30 Survival. 9.55 George Hamilton IV. 10.20 Kum Kum. 10.45 Dandelion Shorts. 11.00 Freetime. 11.25 Jabberjaws. 11.50 Posse Impossible. 1.20 pm North East News. *1.25 Where the Jobs Are.* 2.45 Young Ramsey. 3.15 Life Begins at Forty. 5.15 The New Fred and Barney Show. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 10.30 North East News. 10.32 Hagen. 12.00 Hadrian's *Wall—And You.*

ULSTER

10.35 am The New Fred and Barney Show. 11.00 Sesame Street. 1.20 pm Lunchtime. 2.45 Young Ramsey. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.29 Ulster Weather. 10.30 The New Avengers. 11.30 Bedtime.

WESTWARD

9.30 am Animal Homes. 9.45 Spread *Your Wings.* 10.10 Sesame Street. 11.10 Survival 11.35 Rocket Robin Hood. 12.27 am Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.45 Its a Musical World (David Gates). 5.15 University Challenge. 6.00 Westward Diary. 10.32 Westward Late News. 10.35 The Midweek Film: "Before Winter Comes," starring David Niven and Topol. 12.25 am Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Larry the Lamb. 9.40 "Sayonara," starring Marlon Brando. 1.20 pm Calendar News. 2.45 It's a Musical World. 5.15 Diff'rent Strokes. 6.00 Calendar (Emley Moor and Belmont editions). *10.30 "The Dion Brothers—Gravy Train"*

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave only

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.00 Star Wars. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell 7.00 Radio 1 Mailbag. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

VHF RADIOS 1 AND 2—5.00 am With Radio 2. 7.30 pm John Dunn (continued) (S). 8.00 Listen to the Band (S). 8.45 Alan Dell with Dance Band Days (S). 9.15 Among Your Souvenirs (S) (Radio 2 Medium Wave joins at 9.30). 9.55 Sports Desk. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Susannah Simons (S). 12.00 David Hamilton (S). 2.00 pm Ed Stewart's Request Show (S) including Racing from Ascot. 4.00 Much More Music with David Symonds (S). 6.00 John Dunn (S). 7.30 World Cup Soccer Special from Wembley: England v. Romania. 9.30 Among Your Souvenirs (S) (joining VHF). 9.55 Sports Desk. 10.00 It's a Funny Business says Max Wall. 10.30 Hubert Gregg says Thanks for the Memory. 11.00 Brian Matthew with Round Midnight, including 12.00 News and 12.05 am Sports Desk. 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice (S). 8.00 News. 8.05 Your Midweek Choice (continued) *(S). 9.00 News.* 9.05 This Week's Composer: Schumann (S). 10.00 Music for Organ (S). 10.45 Now and Then: Chamber Music Recital (S). 11.45 Northern Sinfonia Orchestra (S). 1.00 pm News. 1.05 Concert Hall (S) 2.00 *Music Weekly (S).* 2.50 Orlando String Quartet (S). 4.25 Ophelia's Songs (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Writing in the Dark. 8.00 BBC Symphony Orchestra: Concert, from the Royal Festival Hall, *London, part 1: Bartok (S).* 8.30 Six Continents. 8.50 Concert, part 2: Stravinsky, Rachmaninov (S). 10.00 Debussy and Schumann, piano recital (S). 11.00 News. 11.05-11.15 Two Holligers (S).

*VHF ONLY—Open University: 5.55-*6.55 am and 11.15 pm-12.35 am and for students in Scotland, Wales and Northern Ireland: 12.35-12.55 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day 8.35 Yesterday in Parliament. *9.00 News.* 9.05 Mid-week: Russell Harty's People. 10.00 News. 10.02 Gardeners' Question Time visits Warwickshire. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Baker's Dozen (S). 12.00 News. 12.02 pm You and Yours 12.27 A Murder of Quality by John Le Carré. 12.55 Weather; Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 3.50 Letter from Hong Kong. 4.00 Choral Evensong (S). 4.45 Story Time. 5.00 P.M.: News Magazine. 5.50 Shipping Forecast. 5.55 Weather: Programme News. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 The Heart of Matter: The Life and Thought of Teilhard de Chardin. 8.45 File on 4. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Lord of the Rings by J. R. R. Tolkein (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Tony Fish Total Music Show. 2.30 *Tony Blackburn.* 5.00 News. 5.15 The Good Vote Guide. 5.30 Music on the Move. 6.33 The Name of the Game . . . . Cricket. 7.03 Black Londoners. 8.00 As Radio 1. 10.00 Question Time from The House of Commons. 11.00-5.00 am Join Radio 2.

London Broadcasting

6.00 AM—Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 Network. 5.00 Morning Music.

F.T. CROSSWORD PUZZLE No. 4,556

ACROSS

1 Two instruments used for a lively dance (8)
5 Immerse breather in physical exercises (8)
9 *Stage article* in a high hill (8)
10 Fight doctor in covering (6)
11 Eastern notch consumed without teeth (8)
12 A way of viewing the appearance presented (6)
14 Begin with the same sound for everybody to repeat (10)
18 *Serfdom in superior* dwelling-house in a period of time (10)
22 Think to calculate (6)
23 Ill-dressed cut of beef with seafood around (8)
24 Inserted in face reversed (6)
25 Supply ton few workers for subordinate (8)
26 Nullify north-eastern crowd (6)
27 Ace and I'll appear in digger (8)

DOWN

1 Meat permitted in village (6)
2 Turned up and sent a particular way (6)
3 Vegetable dish mixed at top of order (6)
4 Aim harmless ammunition at short range (5-5)
6 Send loin prepared for feline cage (5,3)
7 Illustrious male of rank . . . (8)
8 . . . is thus described to have a right to (8)
13 Biscuit on which red-heads sleep? (10)
15 Dislike a translation (8)
16 Scab seen in dirty limb (8)
17 Paddler making it oceans apart (8)
19 Threaten to overhang (6)
20 Gloomy ring around Sergeant Major (6)
21 Make different small coins (6)

Solution to Puzzle No. 4,555

ENTERTAINMENT GUIDE

OPERA & BALLET

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PUBLISHED IN LONDON & FRANKFURT

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Gary Numan

Wembley Arena

Gary Numan

by ANTONY THORNCROFT

Gary Numan retired last night. There were thousands at his farewell concert willing him to change his mind. Hundreds had cloned up in black leather suits with red piping and blank androgynous faces to act as perpetual stand-ins, preserving his memory. But I doubt whether the Numan phenomenon will long survive his exit from live appearances. He plugged the gap between David Bowie and the New Futurists but bands like Spandau Ballet and Ultravox, by adding melody and rock rhythms to the synthesiser, have reduced Numan to a curiosity rather than a creative force.

But Numan faded expensively. His music, based around two keyboard / synthesiser players, sums up the boredom of a machine dominated future where humans become as robotised as their environment. But within a short space of time it made him redundant, too. As he prowled around the stage, his acidic voice droning out his songs (the titles, "Cars," "Metal," "This wreckage," sum up the content) he quickly became swallowed up by the musical machine and the spectacle behind him.

For Numan has invested well in hardware. A gigantic gantry over-hangs the stage. Occasionally parts of it descend, flashing out red beams to meet the dry ice floated in from the wings. Lights flash around the arena. The keyboard players are hidden away in kiosks like bleeping telephone boxes, on top of which the guitarist and bass player occasionally stand. Their place is taken during a scene change by gyrating girls.

After his opening burst in black Numan switches to white, re-appearing through a trap door. And all the time the electronic sounds match the lights. There are two loud explosions, triangular shapes dodge around the stage and automatons appear waving green phosphorescent tubes. Boring music is given some beautiful packaging.

Numan deserves thanks. Occasionally on stage a human being breaks through. On Monday at Wembley he played it poker faced with just a few terse "thank yous." Even so he has done well, finding an image and wearing it hard for two profitable years, and satisfying the pessimistic passions of a mass of kids.

Elizabeth Hall

Dmitri Alexeev

by DOMINIC GILL

Perhaps it was the holiday season, or the unseasonable weather, which kept so many concert-goers away from the Elizabeth Hall on Monday; or perhaps, more simply, it is that London audiences have not yet realised that Dmitri Alexeev —the Russian pianist who won first prize at Leeds six years ago at the age of 28—is one of the major talents of his generation. The lucky few who attended his recital did not leave disappointed: it was an exciting evening, strongly made and full of fine and delectable things.

He introduced the main work of his first half, Schumann's *Kreisleriana*, with the slightly later and shorter set of four fantasies which Schumann entitled, with uncharacteristic plainness, *Four Piano Pieces* op. 32—though there is nothing plain in them indeed, four eloquent flights of poetry, wonderfully compressed, and sadly neglected in the concert hall. It was a happy inspiration of Alexeev's to use them as an overture, a twitch of the curtain revealing a glimpse of the main act's set, without any pause for applause, before launching fast and furious into the *Kreisleriana*—its opening fantasy a gale of *agitato*, brittle in its accents, but softly rounded in its phrasing, a powerful tug of ambiguities.

This was the evening's centrepiece and it showed Alexeev at his most grandly persuasive: the third fantasy (commonly played, for the sake of easy lyrical effect, too slowly) both fast and sensuous, wildly soaring; the fourth, rapturous in its tenderness and deeply touching. In the fifth, Alexeev briefly changed triple to quadruple time to give the little major/minor dance a lilt of uncertain, chameleon grace. The seventh he took at a reckless prestissimo: dangerous wager, triumphantly won. The last, a complex web of independent voices, was a tour de force of delicate irony and masterly control.

The rest of his programme was a relaxation, but no less magically shaped. Prokofiev's *Four Pieces* op. 32, pungent dances all, cut quick and sharp, served to introduce a sequence of 12 Rakhmaninov Preludes chosen from opp. 23 and 32. Alexeev spared us the C sharp minor: but no doubt he would have discovered in it, as he did in the exceedingly vulgar D major Prelude op. 23 no. 4, just as much wit and force and grandeur, and as little schmaltz. His delivery of the G minor op. 32 no. 5 was a paragon of wistfulness and charm; and for his finale of the composer's own recital warhorse, the great B flat op. 23 no. 2, he caught the authentic frenzy of the music.

Wigmore Hall

London Double-Bass Ensemble

The prospect of hearing four double basses put through their paces as a chamber group ensured practically a full house for Monday's Wigmore Hall concert. The London Double-Bass Ensemble was formed last year, and has been busy encouraging composers to write for the combination, and digging out previously unconsidered trifles. At present they must still rely to a large extent on arrangements and the grotesqueries of past virtuosi, but this programme included two entirely serious and relatively substantial works.

Robert Simpson's Quintet for three double basses, clarinet and bass clarinet was written for the Ensemble, and resists the temptations of the highest register very effectively. The result is some fascinating textures, given bite and variety by the wind instruments (Jack Brymer and Stephen Trier in this first performance); a single movement that begins slowly and tentatively, gradually building complex layers, eventually discharging them into stuttering and congested faster music, subsiding eventually into a reprise of the opening. It manages to become a considerable musical achievement in a medium that at first sight would seem only novel and whimsical.

Gunther Schüller's Quartet for double basses has had to wait for the advent of this ensemble for its first British performance. It was written in 1947, betrays honest debts to Schoenberg and Berg and demands of the four players the kind of attention to detail needed in a conventional string quartet. This initial performance would have benefited from more rehearsal—many of the passages in harmonics in particular were only sketchily realised.

ANDREW CLEMENTS

Television

In the glare of the camera

by CHRIS DUNKLEY

Trial by television is a little like sin: however much people may secretly enjoy it they all *declare themselves against it*. This is not the worst sort of hypocrisy, not blatant cynicism, because many serious minded people really do believe in principle that trial by television is a Bad Thing. I, however, think it is a good thing. I believe we have all been using the wrong phrase for years, that if anything needs lambasting it is the occasional premature *verdict* by television, and that unfortunately this is not merely a matter of playing with words.

The subject was revived by David Cheshire's programme in last Tuesday's *Omnibus*. Called "We Ask The Questions" it turned out to be one of the best of the current series (which, I understand, is to be the last in the present format, and a good thing too considering most of this year's episode. One prays that Christopher Martin, the new editor, will replace it with a more effective formula for dealing with today's arts and artists. Peter Adam's excellent *Hockney At Work* was a good signpost.

Cheshire turned the tables and interviewed the interviewers, or four of them anyway: David Frost, Robin Day, Michael Parkinson and David Dimbleby who, with a sense of humour and no trace of amour propre, emerged as easily the most impressive. Parkinson, with his tendentious disclaimer about chat show hosts who think they are bigger stars than their guests succeeded only in recalling his own petulant line "Who's show is this anyway?"

Omnibus did not provide the most profound analysis of the subject possible, or even follow one particular line as it might usefully have done. However, its juxtaposition of very old, with old, and newer, clips from television interviews did convey vividly the enormous changes that have already occurred in a young medium.

It is hard to believe that even in Clement Attlee's time all interviews were quite as ludicrously sycophantic as the example shown here: "Prime Minister, sir, are there any pearls of wisdom you would be generous enough to cast before a breathless nation?" was the tone. Yet undoubtedly attitudes were far more obsequious then and did change markedly in the late fifties, thanks as much to Robin Day as to anybody.

It ill becomes Day to act now like some pompous old prima donna when required to answer a few questions himself, and to declare quite wrongly that a question about his tough interviewing was a statement. (It merely contained an assumption which he happens to dislike). Furthermore, since I too suffered as a novice TV interviewer from the nervous smoke screen that Day is wont to set up, I sympathised with Cheshire as the fumes poured out.

However, it was not Day but Frost who best illustrated the controversy about "trial by television." When Frost pressed his question concerning Harold Wilson not once, not twice, but three times on Edward Heath, demanding "But do you like him?" after each evasion, he was indeed acting like a lawyer cross-examining a witness in court. Yet how many people would condemn that as "trial by television?" It showed, surely, Frost and television at their best. All the interviewer did was ask questions, never receiving an answer, and leaving the verdict to us.

The infamous Savundra interview could hardly have been *more different*. Nothing was left for us to decide. Frost loomed over his man like a Hollywood lawyer dominating a defandant, and wagged his finger at him, leaving no room at all for doubt about guilt, reasonable or otherwise. And that is surely what should be condemned: verdict by television, in a case moreover which could be, and in this instance actually was, taken to a court of law.

David Frost and Robin Day

While that certainly is objectionable, however, it is less than helpful to label it "trial by television" and then by simpe extension condemn all other programmes which could be so described. The *Panorama* programmes on transplants and brain stem death have been stigmatised as "trial by television" but it seems to me quite right that television should be airing the pros and cons of such subjects. The BBC was wrong not to give greater circulation to the discrediting of the "new evidence" claimed somewhat irresponsibly in the second programme, but that does not alter the general rule.

And that rule, surely, is that television must count among its functions the collective representation of the public in investigating matters which, individually we have neither the time nor the power to find out about: from the way our rates are spent to the way that industry affects our lives by creating jobs or effluent: from the claims of a Uri Geller to those of a new political party. This may mean subjecting bureaucrats, businessmen, scientists, politicians and so on to "trial by television." So be it.

Any television journalist worth his salt will want his relatively young medium to be pushing forward with "trial by television" since it is, usually, nothing more than the muckraking or, "investigative journalism" of an older medium masquerading under a new title. The question, it seems to me, is not whether it should be done but whether it is being done in a fair and honest way.

Day, whose integrity I have never doubted for an instant, and who with producer Barbara Maxwell has turned *Question Time* into an un-missable and *stimulating weekly event* over which he now presides with just the right avuncular firmness (his insistence last week on accepting one point; not three, from a pushy participant was exemplary) *sometimes seems to* me to conduct political interviews which are honest but not entirely fair.

Politicians do have thick skins, do present themselves voluntarily, and can look after themselves no doubt. Yet when Day, who has the advantage of being more at home in the studio, is in his most hectoring mood the very tone of his questions reinforced by his beetle-browed scowl and "those *cruel* glasses" as Frankie Howerd once said—can deliver as clear an implication of "guilt" as Frost's wagging finger.

Sir Robin, who has a passionate belief in what he insists on calling the "adversial" form of political discussion, clearly sees himself as representing the viewer; "I think a lot of people would like to know" is almost his catch-phrase, and he would presumably say that he treats all politicians alike. Some might retort that that merely means he is willing to browbeat anyone into a defensive and thus "guilty" posture. Still over-heavy interviewing almost always rebounds against the interviewer, and generally I find Day's persistence and toughness a virtue, even if the friction he causes sometimes results in more heat than light.

The final question so often posed in this matter is "But doesn't all television have far too much power?" and the answer must surely be—No. Initially it might seem otherwise. If television had existed in 1829 surely the appalling agonies of the farm workers seen hand-clearing the fields of flint in this week's episode of BBC2's outstanding *Bread Or Blood* would have been promptly exposed, turned into a public cause, and rectified? And *would not* that *suggest immense* power at least in breaking through the stultifying isolation of such downtrodden social groups?

The sad answer must still be —No. Fifteen years ago the BBC put council bureaucrats "on trial" and exposed the plight of young homeless families in *Cathy Come Home*, the most famous "Play For Today" ever made. Since then the numbers of such homeless families have steadily risen. What price the "power" of television?

There will no doubt be more complaints (there were some before the programme was even screened) after Bruce Norman's BBC2 "Chronicle" on Monday which looked at the murder of Francis Sheehy Skeffington in *The Crime Of Captain Colthurst*. The court martial passed down its verdict in 1916, and if anything this was merely re-trial by television. Nevertheless objections are almost sure to be made about details.

But there is nothing so dreadful in that. No historian was ever faultless, and as one of *those who had scarcely heard of* the Colthurst case before this programme I welcome it as part of the expanding picture of Ireland now being produced by television. If there were errors then other historians will be only too delighted to point them out, as they would following an account in a book or learned journal.

Television must be permitted as much room for error as any other mass medium, and as much right to investigate or "hold trials"—even if television very rarely shouts "We Name The Guilty Men!" as some of its Fleet Street forebears have been known to.

John Lewis Auditorium

If I were king

Year after year John Lewis Music Society put us in their debt by choosing an opera suitable for available talent and for a small theatre, designed to appeal both to the performers and to the Society's public. As for opera buffs who collect rarities, they must class John Lewis with Wexford and Camden. Often the chosen work comes from the 19th-century comic opera repertory, frequently from France. That repertory and that country provided Monday's enjoyable production of Adam's *If I were king* or *Si j'étais roi*, once popular, now familiar solely for the overture.

Adolphe Adam wrote the music for the ballet *Giselle*, so over-familiar that neither orchestras nor audiences are inclined to do it justice. He also wrote a comic opera, *Le Postillon de Longjumeau*, which still turns up occasionally when there is a tenor who can manage the title-role. *Si j'étais roi* came late in the composer's busy but short career, in 1852, four years before his death. Adam had the style of the time, in which there are elements both French and Italian at his finger-tips. Plenty of tunes, sparkling or sentimental as the situation requires good craftsmanship, a dash of local colour, nothing too much or too long.

The style is not easy to revive today. A few masterpieces apart, comic opera with spoken dialogue is mostly mistrusted—the reasons are too complicated to go into here. The present show, further performances tonight and Friday — not Thursday) is Lewis style of performance. Tom Hawkes produces, the designer is David Blight, lighting is by Nigel Love, Derek Carden conducts the Cavendish Orchestra. James Robertson has made a jolly, speakable English version of an ingenious libretto by d'Ennery and Bresil.

The scene is 16th century Goa. Zephoris, a young fisherman, falls in love with a Princess whom he saves from drowning, dreams of being King and free to marry her, sees his dream come true—for one day—nearly loses her to a wicked rival, but in the end wins her and incidentally saves his country from invasion by the Portuguese fleet.

Of the guest artists, Christopher Gillett sings the hero simply and sweetly. Paul Napier Burrows as the real king and Trevor Craddock as the villainous Prince Kadoor are more incisive and French in timbre. Patricia Cope is the Princess Nemea, fluent in some quite demanding music. Carol Kewley as the fisher boy's sister has a Mocking-bird song like a faint sketch for the Bell Song in *Lakmé*. Two of the company, Brian Kevis and Alan Patient efficiently fill character roles. Good chorus, sound orchestra—a wobbly chromatic passage near the beginning of Act 3 will surely come out better next time.

RONALD CRICHTON

St. John's, Smith Square/Radio 3

Edith Vogel

by RICHARD JOSEPH

Monday's BBC Lunchtime Concert from St. John's was given by the veteran pianist, Edith Vogel, making one of her rare —but it would seem increasingly frequent — public appearances. Vogel's intellectual command of her preferred repertory is pretty much complete, and her technical equipment is fastidiously polished, never merely showy.

That she lacks the average touring pianist's quick perception of acoustics was demonstrated by her playing in most of the first piece on the programme, Beethoven's *Les Adieux* Sonata, Op. 81A. Pedalling that would have sounded well in any of the South Bank concert halls, bass-heavy chording that might have seemed ideal in the BBC's recording studios, added up to an unacceptably blurred and mushy piano sonority, given the already ample St. John's resonance. This hall has never been an easy one for pianists to make their mark in, and one felt all the more frustrated by this cavernous acoustic, when the occasional perceptive detail or well-turned phrase rose above the inarticulate surface of Vogel's performance.

Rich chording, rhythmic flexibility and generous pedalling all suit Schumann's vocabulary well, so Vogel's playing of the C major Fantasy, Op. 17, immediately started out on firmer ground. In addition, she had settled into the acoustics and was learning to use it for her own interpretive ends. The balancing of high, quiet chords against a full bass note at the end of the first movement, the ruminative mood and natural rubato of the slow finale blossomed in the hall.

Unlike most other pianists who have the technique to play this demanding music, Vogel does not impose her own ego on those sections that require a passionate response. The result is initially rather unsettling but nevertheless compelling; it genuinely throws attention on the music. The recital will be broadcast again on Radio 3 tomorrow, Thursday, a 10 pm.

Sadler's Wells

Falstaff

by DAVID MURRAY

On Monday Kent Opera opened their London season with Verdi's *Falstaff*, in the production by Jonathan Miller that was seen in the autumn out of town. On the Sadler's Wells stage it looks well, moves swiftly, has a sprightly orchestra to compensate for vocal under - nourishment, and remains more or less conventional. A small-scale version of *Falstaff* has a special charm, of course, but we have had that at Glyndebourne; the lively Miller sketch here is not more detailed or inventive than many another staging, and may fairly be judged lightweight. Making a virtue of modest means, the Windsor Forest foolery is kept tame and homely (nothing like Zeffirelli's impossible shivaree at the Royal Opera)—one wondered whether the townsfolk wouldn't have tried rather harder.

In Bernard Culshaw's tidy sets this *Falstaff* looks thoroughly English, and sounds it too. If the vocal lines of the opera are never so expansive as in Verdi's tragedies, their very concision calls out for singers who can strike vocal gold at once, and little of the preferred Italian gleam is on offer. The tone and pitch of Thomas Hemsley's Falstaff are not often as nicely focused as the fruitily benign character he presents, though sheer intelligence carries him through with credit. To Mistress Ford Janice Cairns lends her sizeable and promising soprano, as yet imperfectly controlled, and a comic style of broad signals; Eirian James is a good little Meg. The young lovers are tastefully sung by Meryl Drower, who reached just the bottom edge of her top notes, and Neil Mackie.

There is fine vocal power and polish in Jonathan Summers' Ford, but he remains too much a frenetic cartoon to suggest interesting depths at his crises. Enid Hartle as Mistress Quickly uses her mobile face to much better purpose, and knows how to find comedy in the musical thrust of a phrase. There is simple, colourful support from Neil Jenkins, Philip Summerscales and Paul Whitmarsh (though the latter seemed for a long time to be treating Bardolph as a non-singing role).

None of the vocal ensembles was as tight or as pointed as the playing Roger Norrington drew from his orchestra, marked by quick, acute sympathy and explosive crispness. It was not his fault that much of Michael Irwin's sensible English translation could not be distinguished even from the sixth row of the stalls. The words sit on Verdi's line as well as English words can be expected *to do, but the shape of their* sense doesn't always coincide with the phrase-shapes. At any rate, Miller keeps the action bright and explicit; the near-capacity audience seemed pleased.

Golding visit

William Golding, the author, is to visit the University of Kent at Canterbury tomorrow.

Mr. Golding, who was awarded the honorary degree of Doctor of Letters (DLitt) by the University in 1975, will be lecturing to students during his visit.

FINANCIAL TIMES

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Wednesday April 29 1981

Coming down to earth

THE EQUITY market delivered, no doubt inadvertently, an apt comment on the latest survey of industrial trends by the Confederation of British Industry. Its sharp fall no doubt owed much more to profit-taking than to any careful reconsideration of the future: but *the survey, though confirming* that the sickening downward slide of recent months may be nearing its end, *should* deflate any premature euphoria. There is still no sign of any solid recovery in output, unemployment is still rising more or less indefinitely, and there are disturbing signs that inflation, like activity, may be stuck at a *thoroughly* unsatisfactory level.

This does not mean that the survey is all gloom. Sentiment is much less depressed than even four months ago; and it is worth noting that these answers were given in the weeks shortly after what was widely regarded as a sharply deflationary Budget, and before the financial community succumbed to *the mildly manic mood* which drove the index near 600.

Orders

It seems quite possible that a survey taken a little later, when optimism was much more widespread, and the correction to sterling had been carried a little further, would have produced measurably better results. However, the two main constraints on recovery—an unprecedented shortage of orders, and the almost universal problem of export competitiveness are so deep-seated that no quick turn-round could be expected. For most manufacturers, 1981 looks at best like a year in which to try to pick up the bits.

This apparently depressing conclusion should occasion no surprise when the shape of any likely recovery is considered. For a long time it has been a *truism that a sustained recovery* could only be achieved if it was led by investment and exports, and much ingenuity was spent in trying to contrive such a conjuncture. However, this is not the shape of a "natural" recovery from an inventory cycle, which is likely to be led from the consumer end.

It is true that there are signs of a real recovery, as opposed to a mere levelling-out, in the consumer goods sector, and in such key indicator industries as paper and board. This is unfortunately counterbalanced by the continuing decline in capital investment and construction, and *leads the CBI to the conclusion* that total industrial output is still likely to fall further.

Pause

This rather dismal picture helps to explain the very gloomy long-term forecasts which are still being produced by teams close to industrial opinion. This week, for example, the ITEM Club, a group of largely industrial users of the Treasury *economic model*, published a set of projections almost as depressing as those from the Cassandra division of the Cambridge economics faculty. They saw no recovery of any kind this year or even next; simply a temporary pause in a continued decline.

This is the honest result of combining the kind of information which the CBI has collected on current trends, with forecasting equations based on past patterns of behaviour. In spite of Mr. Leon Brittan's cheerful appeal to the example of all previous business cycles, it is the optimists rather than the pessimists who have a case to prove.

The case for optimism can best be made in one statement: it is really very unlikely that an unprecedented competitive squeeze and a violent slump in output have had no effect at all on past behaviour patterns. It seems more realistic, indeed, to look for some improvement in such areas as productivity and export marketing than for none. Perhaps even the celebrated "x" factor, the unknown drawback of simply being British which the Brookings study despairingly concluded must explain our sad performance, has been altered.

Conservation

Already industry has done much better than past forecasts in conserving its liquidity, its profits and its export markets; we may be able to build on that. The whole Thatcher strategy, after all, is to produce a change in behaviour—a change which *would among other things* invalidate forecasts based on statistical models. But this is *still* only a hope; it is when some recovery is actually under way that we will be able to look for evidence.

Polish debt and Western credit

THE DEBT rescheduling agreement concluded in Paris on Monday between Poland and its major government creditors in the West represents a major step forward in putting some order into the country's most pressing financial problems. The most immediate consequence is that Western banks, which have already agreed on a very short-term rescheduling proposal for the repayments of principal which were due during the second quarter of this year, *should now feel reassured about* a somewhat longer-term rescheduling of the capital payments due in the second *half* of this year. The more general consequence is that the agreement represents a procedural basis which should help smooth out future negotiations between Poland and Western Governments on the one hand, and Western banks on the other.

Payments deficit

But it would be an illusion to suppose that the agreement implies that the Polish problem has been "solved" or anything like it. In the first place, the assumption behind the agreement is that further rescheduling negotiations will be needed between Poland and the West for at least the next few years, before the country has *any chance of paying off any of* the principal. In the second place, the rescheduling also assumes that the Polish Government will adopt, and succeed in implementing, an economic programme which could plausibly bring round the balance of *payments from heavy deficit to* substantial surplus by the latter half of this decade. The first of these assumptions is uncomfortable, but unavoidable; the second remains for the time being more a matter of hope than of confidence.

The *most delicate and most* important question, which so far remains unresolved, is that of the link between these two assumptions—the degree to which Polish economic policy and performance will now become subject to the approval of *western governments* and banks. The Poles have presented their creditors with a set of economic targets, and the French economics minister, for one, has said that the rescheduling is inseparably linked to the introduction of a programme of economic and financial stabilisation in Poland.

Such an approach implies that western *governments* will, in their rescheduling negotiations, and above all in their discussions on the granting of new trade credits, for the period when Poland remains in substantial trade deficit, be monitoring Polish performance pretty closely. The granting of new credits will be particularly important here, because it will to a significant extent determine the degree of domestic austerity required in Poland.

It has been suggested that Poland might be better off if it were to join the International Monetary Fund, if only because the Fund is much more experienced in exercising the delicate art of "conditionality" than national governments, and would be regarded as more impartial. On the other hand, there *is no way to fudge* the fact that western governments are partly motivated by political considerations, and may be better equipped to make political judgments; one reason for being generous to the Poles is that it may help them to preserve the process of political reform and liberalisation now under way.

The economic targets put forward by the Polish Government to its western creditors may or may not be plausible in strictly economic terms; so far the details have not been published. But they are certainly highly speculative in political terms, since the reform process has yet to come to rest on a more stable basis. In the first place, it would appear that no substantive economic policy negotiations have yet taken place between the government and the leaders of the Solidarity union; without some kind of consensus, it will be very difficult to combine austerity with productivity.

Stable course

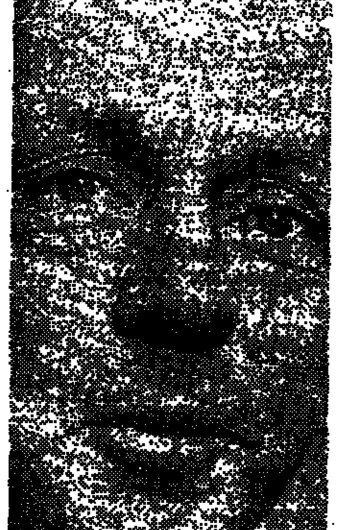
In the second place, the central committee of the Polish party today takes what could be fateful decisions on the rules governing elections to the party congress, due by mid-July. If the Russians do not intervene, that congress may show whether Poland is set on a new and more stable political course, and whether the government has any chance of implementing a credible economic recovery programme.

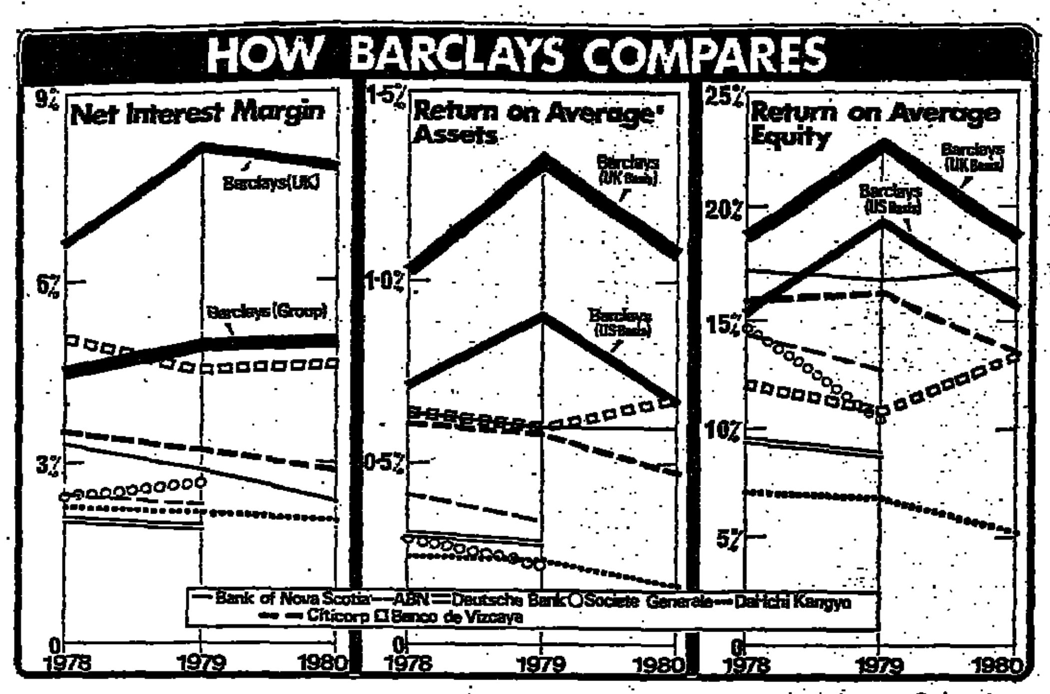
BARCLAYS AT THE CROSSROADS

The challenge of being No 1

By Michael Lafferty, Banking Correspondent

Barclays Bank has grown through acquisition and direct investment over the past decade into one of the world's biggest banks. Its peers in this league include a relatively small number of banks drawn from the U.S., including Citicorp, Bank of America and Chase Manhattan, as well as a handful of banks from Europe. Like many organisations which have grown rapidly into worldwide multinationals, Barclays faces many challenges and opportunities. The most pressing one facing Mr. Timothy Bevan (below) who takes over today as chairman, is a decision over how the group should be organised. At present Barclays operates through a highly decentralised geographic structure. But it may only realise the full potential of its worldwide operations through a move towards management on the basis of product lines for customer groups. Barclays' senior executives have differing views about the way ahead . . .





Graham Lever

SIR ANTHONY TUKE'S retirement *today as chairman* of Barclays Bank marks the end of an era during which Barclays has been transformed from an English and colonial branch bank into arguably the world's biggest multinational banking organisation.

Sir Anthony leaves behind a *bank which has possibly a* greater physical presence around the world—with all the problems and opportunities that implies—than any other and is estimated to be the world's most profitable bank.

Despite all this the new chairman, *Mr. Timothy Bevan*, faces great challenges in adapting a highly decentralised and entrepreneurial organisation to the demands of the 1980s. He sees potential and actual weaknesses in the present structure of Barclays, and wants to bring about significant changes in many aspects of the bank's organisation.

To many people in the banking industry, and the City generally, Sir Anthony's *retirement and the succession* of Mr. Bevan is a reminder that Barclays is still very much a *family institution—despite* the fact that it employs 120,000 people worldwide. Sir Anthony and Mr. Bevan are descendents drawn from two of 20 banking families which merged business interests to form the UK bank back in 1896.

With one or two exceptions throughout the year the chairman of Barclays Bank has always come from one of these 20 families. A careful check of the group and UK organisation *reveals that even today people* from those same families—with names like Birkbeck, Pease, *Tritton, Gurney and others* — still occupy a large number of strategic positions in Barclays.

The family aspect of Barclays is a matter of some sensitivity within the boardroom. Non-family directors like Deryk Vander Weyer, deputy group chairman and chairman of Barclays UK, and Frank Dolling, a vice-chairman, insist *that the matter is of no significance* today, and that the best people get the jobs regardless.

Sir Anthony Tuke, while insisting that he is the wrong person to defend the family tradition, nevertheless asserts: "If it is to be criticised as bad you have got to be able to say that Barclays has lost out."

If that is the test, then the families' succession at Barclays certainly seems to have brought great benefits to the Bank. By capitalising on the regional affiliations of families like Gurney (Norwich) and Thomson (Oxford), *and allowing a great deal* of decentralisation to related regional boards, Barclays rose to become the largest bank in Britain after the Second World War, overtaking its arch-rival Midland.

Today that same tradition persists and most *senior clearing* bankers in other banks would nominate Barclays first if asked to *rank* the management of the Big Four British banks.

A similar reaction comes from top German and US bankers, with one important difference. Not being clearing bankers they are much more willing to point to the reasons why *it is that* Barclays has risen to become the world's biggest bank, in terms of both profits and share-hollders' funds.

The answer, they say, lies in the extraordinary profitability of Barclays' domestic banking business in the UK. "They had to expand internationally to use up some of the profits," is a typical German bankers' comment.

There is more than a little justification in this, as Barclays itself revealed when it recently filed a registration statement with the Securities and Exchange Commission in New York. We now know that Barclays has

Still very much a family institution

been achieving net interest margins (net interest income, div*ided by average interest earn*ing assets) in the UK of 7.7 per cent in 1980, 8.1 per cent in 1979, and 6.6 per cent in 1978.

These exceptionally high domestic margins contrast with margins achieved on international lending which were 2.9 per cent in 1980, 2.3 per cent in 1979 and 2.6 per cent in 1978.

Even allowing for this disparity, group net interest margins are generally far better than large banks in other countries: see Chart 1. The only other country where domestic banking seems to be giving mar*gins remotely close to those of* Barclays UK is Spain, where a *government-protected banking* cartel has operated for many years.

*The key to the UK profit*ability of Barclays—and the same goes in varying degrees for the other clearers—is high domestic interest rates allied to the current account system operated across the board by the banks, under which surplus *balances on current account do* not earn interest beyond some rebate on charges.

That exceptional UK profitability shows through no matter what measure of performance is taken to compare Barclays with other banks around the world. *Its return on* average total assets is highest, and so is its return on capital—even allowing for the fact that Barcleys has proportionately more capital than most other banks, thanks to its UK profits. Because of all the peculiarities of bank accounting and differing inflation rates the figures are not absolutely comparable, yet few bankers who have looked carefully at the figures would disagree with the general trend *demonstrated*.

But the days of plenty are unlikely to go on for ever. As UK interest rates fall and competition begins to emerge in English retail banking Barclays will come under pressure to cut costs. At present it collects retail deposits through a relatively expensive network of some 3,000 branches, at an esti*mated interest equivalent cost of* 9 per cent.

Timothy Bevan admits that the high profitability of recent years may have encouraged unnecessary fat to build up. "Nobody ever prunes his costs until he has to." He sees the reorientation of the UK clearing bank, and *the elimination* and control of all possible costs as probably his greatest challenge as chairman.

The preparation is already under way, though Deryk Vander Weyer thinks it will be difficult for Barclays to adjust *costs quickly enough over* the next two or three years. "The next five years will be tough," he forecasts.

The process of adapting the clearing bank for the decades ahead will involve more than cost-cutting. Barclays has yet to come to grips with the question of whether it should separate retail (personal) banking business from corporate. But the direction it will have to go is clear, since a series of over *10* separate corporate finance offices has already been established.

"The problem is what to do with the middle market, the small business," comments Deryk Vander Weyer.

There is still much soul*searching within* Barclays UK about the personal market. Mr. Bevan believes "there has been *some muddled thinking*" about penetrating the market for weekly wage-earners — the notorious 40 to 50 per cent of the UK population without a bank current account.

The key to this market almost certainly lies through plastic card-accessed current accounts, but it will be some years before Barclays or any other UK *clearer is in a position to offer* such a product to the mass market. "We should have pressed harder in the mid-seventies on the development of automated retail banking systems," says Mr. Vander Weyer.

John Quinton, deputy senior general manager of the UK *clearing bank and one of the* high flyers among clearing bankers, is even more specific: "Lloyds Bank's automated teller machines are better than ours. And Clydesdale Bank (Midland's Scottish subsidiary) introduced the same Fortronic counter-terminals we are now installing years ago."

Mr. Bevan anticipates "a *gradual drift*" towards separating personal and corporat business with separate outlets for each. He says that the process could well involve Mercantile Credit, the UK finance house which has so far been managed

Great expansion in the U.S.

entirely separately from the branch bank.

Stuart Errington, chief executive at Mercantile thinks that the group directors "recognise more and more that the finance house has a part to play."

If all of this suggests that the men at the top of Barclays are not yet sure of the precise way ahead in the UK, that would be an accurate picture. At Barclays one is told that policy *evolves through consensus after* many meetings. This is not an organisation lead by one dominant man. "I'm against great big white chiefs. Little trees don't grow under a giant beech tree," says Mr. Bevan.

Having said that, Mr. Bevan, more than most of his col*leagues*, is prepared to admit that the present set-up has its flaws. "We have got to get our act together better *than we have* got it now," he says.

The type *of changes* he has in mind will involve a tentative move towards the creation of international product divisions —such as for consumer credit, *credit cards, and retail banking* generally—while preserving the existing geographic basis of the international group.

The absence of people at head office with product line responsibilities could well be one of *Barclays'* greatest potential weakness — power within the organisation still resides in the

Peter Leslie, senior general manager at Barclays Bank Inter*national*, thinks the group should build on a system which has proved its worth. "I don't see how we would wish to depart in any major extent from the geographic pattern we have at the moment." He is against establishing product lines of responsibility, but says he would like to see "more movement of staff within product areas."

On the other hand, Frank Dolling, a vice-chairman, concerned with future planning accepts that there may eventually have to be "overlords on a product basis."

Where are Barclays' strengths and weaknesses internationally? In general, barring South America, it has operations of some *scale* in virtually *every corner of the non*-Communist world.

In recent years its greatest physical expansion has been in the U.S. where it has invested about $400m in the past two years. The expansion has included acquisition of a substantial finance house business, now known as BarclaysAmericanCorporation, and opening of *new offices* at a hectic pace wherever opportunities have arisen.

Today Barclays has 600 offices in the U.S., in 36 states, and employs 8,000 Americans. And there is much more to come: "We still wish to expand in the U.S., and we are constantly on the look-out for new opportunities," says Jim Dyson, *general manager responsible* for the U.S. at head office.

But the U.S. only contributed about 2½ per cent of group profits in 1980. Over 12 per cent came from South Africa, where the 60 per cent-owned subsidiary, Barclays National, is the country's largest bank.

Closer to home, in Continental Europe, Barclays has had some *great successes—such* as Italy and France — coupled with unspectacular progress in several other important countries. "I would like to see us more of a force in Germany and Continental Europe generally. We are only opening up in Scandinavia now," says Mr. Bevan.

During his period as chairman *he wants to demonstrate* that Barclays is "much more of a multinational effort.

"I think that it is wrong for an international bank that we do not have any foreigners on the main Board."

MEN AND MATTERS

The Prince and the paupers

The cost to industry of a day off for the Royal Wedding now appears to be emerging as a contentious issue in the current round of pay negotiations.

For the first time this week, the celebration of the Royal nuptials at St. Paul's *on July 29* was cited by the Chemical Industries Association as one more reason—on top of the general economic situation—why it could not afford a basic increase of more than 7.3 per cent for its workers. "There is no room for any further concession," says the CIA, complaining about the unapprecia*tive response of the* trade unions.

Patriotism, monarchist, sympathies, and promises of untold increases in national wealth from a boom in tourism, it seems, are not enough to offset in some pare of industry the expense of another public holiday.

The CIA estimates that the day's *jollifications* will cost the chemical industry some £17m-£18m (0.5 per cent of the £3.5bn annual wage bill) plus lost production. "We don't want to *appear* Scrooge-like," says a CIA spokesman, "but that's a hefty amount to consider in times *like these*."

In between the Royal engage*ment and the announcement of* the wedding date, the Confederation of British Industry did its utmost, without losing its dignity, to persuade Lady Diana to choose a Friday rather than a Wednesday.

"The additional cost to industry of shuting down in midweek is substantial," says the CBI ruefully. "It's an expense industry could well do without at the moment."

Many of the *CBI's* members feel the same. Finance director Joseph Deacon, of Bradford woollen manufacturers W and J Whitehead, writes in the CBI News that after strenuous efforts to weather the recession and keep his 650 workforce intace, the company is faced with and extra cost of £25,000 for the *day apart from the effect on* production.

No-one wants to be a kill-joy, says the CBI, but many companies are negotiating a different day off in lieu or even deducting it from the annual holiday. But the TUC insists on payment of its royalties, so to speak. "It is well-established custom and practice that public *holidays granted in* this way should be honoured," it says.

Ill wind

The attack on his leadership by former industrial relations Minister Andrew Peacock is not the only problem with which Australian Prime Minister Malcolm Fraser has had to contend lately.

With Fraser's health dogged by two bouts of *pneumonia, it* was decided that his office should be minutely examined for *malignant* elements. The search proved fruitful but surprising. For what the investigators discovered flourishing in the air-conditioning system was the virus which gives rise to the *often-fatal legionnaires'* disease. Legionella pneumophilia—so-called because it was *identified following a legion*naires' convention in an American hotel — is prone to lurk in air-conditioning and humidifying systems, though its presence only rarely leads to outbreaks of the disease.

Fortunately for the parliamentarians of Canberra, only Fraser's office was found to be affected, and the equipment speedily replaced.

Peacock, too, was seen off, though perhaps not so permanently. The long-awaited duel between the two men during yesterday's "no-confidence" debate proved to be something of an anti-climax, though Peacock *took care to reserve for himself* a space directly behind the front bench from which he could literally breath down the necks of his erstwhile Cabinet colleagues.

"I suppose if my name was Lech Walesa there would be no problem over my overdraft!"

Past the post

Ex-Labour Minister, and briefly *English National Party MP*, John Stonehouse, whose temporary disappearance in the 70s made newspaper headlines, has returned to the political scene.

Five years after he left the Commons, Stonehouse has turned up among volunteers *responding to an appeal for help* from Jim Spillius who is contesting the GLC elections in Paddington as a Social Democrat. Spillius gratefully accepted Stonehouse's offer to serve the new cause. The former Postmaser-General is now cheer*fully helping to deliver election* leaflets to local voters.

Trimming Hedges

Champagne cocktails are soon to be crossed off the house list at Hedges and Butler, the drinks shipper and wholesaler owned by Bass. Earlier this year, the *company lost the agency for* Sandeman ports and sherries after that brand was taken over by Seagram. At the end of this month, Krug champagne — a *front-runner among the cham*pagne houses competing for the royal wedding order—will leave Hedges. So too will Remy Martin, whose brandies have seen big increases in UK sales

Hedges' loss is ultimately the gain of United Rum Merchants, *the Booker McConnell sub*sidiary whose parent company finally bought out a minority *Hiram Walker shareholding last* year. URM becomes the exclusive distributor for Remy brandies and will distribute Krug on behalf of Remy's UK company.

Not that the traffic is all one way through Hedges' books. It has acquired a new agency for Warres, one of the oldest British port companies whose vintage *wines are particularly prized*. Hedges has also launched, with encouraging initial results, its own Zamoyski vodka.

Smoked out

With cigarette sales volume down an expected 10 per cent this year, it is hardly surprising *that a pair of enterprising firms* should be scheming to profit from a putative surplus of cigarette vending machines.

Nicholas Laboratories is now marketing Pebble Mints and Pebble Caramels in cartons the same size as a packet of 20 *gaspers. Rowntrees, meanwhile*, is working on a Kit-Kat format compatible with cigarette dispensers.

Open verdict

"*Advantage was being taken of* him when stepping stones were dangled in front of him but not coming to fruition. . . . a meeting where feeling was lying fairly high. . . ."

—extracts from an Industrial Tribunal verdict quoted in the CPSA journal "Red Tape."

Observer

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THE BRIXTON RIOTS

The key issues facing the Scarman inquiry

THE SCARMAN inquiry into the Brixton riots, which gets under way this week, is being asked to deal with two issues which the British political establishment has for years been too timid to handle: race relations, and the role of the police. There are blacks who believe that the riots were the best thing that ever happened to Brixton; at last the problems will be taken seriously.

In itself, the process of holding the hearings should, by the sheer volume of evidence, clarify the picture both as to the facts and as to the beliefs, intentions and feelings of the police and of the people of Brixton. Among other things, it may well put into perspective the assertion of police spokesmen that the riots were either got up, or exploited, by outside *agitators*.

Yet it will be surprising if, at the end of the day, Lord Scarman's factual accounts of the events leading up to the disorders were to prove very different from what could already be pieced together from the mass of newspaper coverage, *not just over the weekend in* question, but going back many years. Some of the essential ingredients are well known: there is very high unemployment among blacks, especially among young blacks; blacks are subject to racial discrimination; there is a high crime rate in Brixton, some or much of it by blacks; there is a startlingly high arrest rate for blacks, and the police have responded to the crime rate by stepping up their presence at times.

An incident—and it may or may not have been misinterpreted by black onlookers—ignited the blaze. The broad sequence of events thereafter should not be all that difficult to get clear, and it may well be that Lord Scarman will first concentrate on getting this narrative out *of the way*. His more difficult problem will be in weighing up the various underlying causes which contributed to the outburst and, more tricky still, in drawing lessons for the future.

Lord Scarman himself has said, in a BBC interview, that "the central question I have to answer is concerned with the policing of the area." In other words, did the police, by their general strategy and tactics, actually contribute to the conditions which led to the riot?

At the *same time*, however, he will obviously want to reach some kind of conclusion as to whether other factors—education, housing, unemployment, one-parent families, the cultural gap between black and white—combined to create a situation in which it became steadily more difficult for the police to achieve *both* crime prevention *and* social peace; in which their attempts, however flat-footed, to protect the law-abiding majority of the citizens of Brixton were likely to lead them into inflammatory excesses against the black youth of the community.

But regardless of the difficulties facing the police in Brixton, there are obviously three broad categories of question which need answering: why were they taken unawares by the riots; what did they think their strategy was, going back over the months and years; and what should their strategy be now?

I suspect that Lord Scarman may have difficulty in identifying any very coherent strategy. Official doctrine at the highest levels of the police service is absolutely traditional and absolutely reassuring. "We are governed by thoughts of (crime) prevention," says a very senior police officer, "and by the notion of policing by consent." But he goes on to concede that the very concept of consent is giving rise to growing *difficulty because of the* increasing variations in what people believe is reasonable.

In other words, every time a policeman stops and searches a schoolboy, whether white or black, on the streets in Hampstead or in Brixton, just on the off-chance that he may be carrying drugs, he jeopardises the sense of consent.

But how does the doctrine of prevention and consent translate into practical policy, when dealing with a difficult area like Brixton? "I don't think there is any policy as such. It's all terribly empirical: first we try this, then we try that. For 20 years I've been waiting to reach a rank where I would take part in policy-making, and I still haven't reached it." That comes from a chief superintendent (*in the Met but not in Brixton*), *a rank low enough* to be involved in day-to-day policing on the ground, but high enough to know if there is a policy worth speaking of, or not. "It would seem that policy is individuals."

Of course, the textbook answer, since time immemorial, to the problem of prevention and consent has been the image of the local bobby on his beat. "Unfortunately," as the very senior police officer admits, "we do little more than pay lip-service to the notion of neighbourhood policing."

In short, there is a basic tension between the objectives of the officers at the top of the tree and the ambitions of those at the bottom. The syllabus for the senior command course at the Police College at Bramshill is heavily weighted in favour of the broad social issues of our time, while the word "crime" is scarcely mentioned. But at the grass roots, promotion comes by filling in work sheets (i.e. making arrests), whereas those who help implement the principles of prevention and consent are, by and large, the little-regarded residuals of the force.

In Berlin, by contrast, they do things differently. Five years ago they decided to take seriously the notion of community policing, and they did it wholesale. The entire city *was divided into 756 beats*, each of which was manned by a very experienced policeman at least 40 years old, with the rank of inspector and the chance of further promotion to chief inspector. This combination of rank, experience and authority *has* apparently helped reduce certain forms of street crime.

Lord Scarman may conclude *that the fault in Brixton* lies exclusively with the rioters, and that the violence there is for practical purposes on *all* fours with the violence of the young which has affected other cities and other countries—Amsterdam, Zurich, Tokyo; a consequence of unemployment and *mal de siècle*, hard to explain and even harder to deal with.

But if he does *not* conclude that the fault is all on one side, *then he faces a very delicate* and daunting problem. The Home Secretary refused an inquiry into the racial disturbances in Southall; *he* refused an inquiry into the Bristol disturbances; after Brixton, his *only question to* his officials was: "Whom shall we ask?" The fact that Lord Scarman can make recommendations virtually means that he must make recommendations, and the Government will be virtually obliged to accept them.

Since there is almost certainly no single causal explanation for the riots, he may well feel he needs to make a variety of recommendations: practicable yet significant, short-term and long-term. He will not lack suggestions from vested interests: more money for schools, more money for housing, more money for vocational training, more money for job creation. But at the end of the day there are three major issues which will confront him: racial discrimination, especially in employment; the procedure for making complaints against the police; and the question of consent—in other words police accountability.

In principle, our legislation against racial discrimination is among the most stringent in the world. But it is difficult to enforce, and it is certainly not enforced in the field of employment. *Perhaps* we should be thinking of positive discrimination in favour of minorities, *at least* in the bloated public sector and in companies which do business with the public sector, on the American pattern.

Police complaints have been controversial for *several years*. Last summer the Police Complaints Board recommended, in its triennial review, that the most serious complaints (of assault) should be investigated by specially seconded officers reporting to a non-policeman. The Home Office set up a *working party*, a *majority* of whose members were drawn from the police ambit, and rejected the recommendation. But this apple cart was rather upset when someone inside the Home Office chose to leak an unpublished study which *showed* clearly that there are indeed serious deficiencies in the way the police investigate some of the complaints against them.

The 1964 Police Act was intended by the Conservative Government of the day to strengthen the *accountability* of the police. In practice, accountability has if anything diminished since then; partly because amalgamations have made provincial forces bigger and more remote, partly because of the strident determination of chief constables to assert their independence at any cost.

When a police spokesman is quoted as saying: "We control the streets of London, and that's all there is to it," he is using a vocabulary which is totally incompatible with the notion of consent. Surely the police understand that the problems of Brixton are not *fundamentally* police problems (even if they have been made worse by the police) but problems which concern the whole of our society?

In any case, this kind of fighting talk will not make the question of police accountability go away, as my VSPO readily concedes. Indeed, it has particular relevance right now, since the Labour Party is fighting next month's GLC elections with a *manifesto* which includes a demand for a GLC police authority with powers to scrutinise policies and appointments *in the Met. At present the Met* is the only force without a local police authority, and the only one which is not inspected by HM Inspectors of Constabulary.

The police dislike the notion of accountability because they think it means they are being got at. In reality, it should mean that politicians are made accountable for handling political problems, and that society at large is made more accountable for its own policing.

Ian Davidson

What will Lord Scarman (right) say about the role of the police?

Letters to the Editor

Start-up schemes

From Mr. S. Greenly

Sir,—For those with an interest in small businesses the one ray of light in the Budget debate was the business start-up scheme and the £10,000 tax relief.

From the Finance Bill it seems that this has been emasculated by the civil service. Now it is only available to investment in manufacturing companies.

What good reason can there be for discrimination against the service sector? Is not a £10,000 investment in, say, a computer software enterprise just as valuable to the economy as anything else?

This attitude probably dates back to the days of selective employment tax. But now in most western economies service companies are *now the growth* sector.

We should urge the House to have these artificial restrictions lifted at the committee stage of the Bill.

Simon Greenly.
Stafford Robert and Partners,
354, Fulham Road, SW10.

A 35-share index

From Mr. T. Miller.

Sir,—I was delighted to see (April 27) that Lex has grasped *the* nettle of the FT 30-Share Index and its unfortunate means of calculation whereby it would inevitably underperform the shares whose value it is supposed to represent.

Surely the answer is to start a new series of this index calculated on an arithmetic mean rather than a geometric mean. To distinguish the new series from the old, perhaps the number of shares could be changed so that we would refer to "The FT 35-Share Index." The opening value should be the same as the closing value of the previous 30-Share Index.

T. P. F. Miller.
Framlington Unit Management,
64, London Wall, EC2.

Better work rhythm

From Mr. D. Campbell

Sir,—Ford and others lay much stress on work standards as a *means of* increasing productivity. By standards one assumes the time required to carry out a given job or task.

Over the past ten years or so in various industries and commercial activities I have found that if the tasks completed are multiplied by the standard time per task, the result rarely reaches 50 per cent of the time within which the tasks were carried out. The problem is not working harder (less time per task) but working more often (more tasks per hour). In fact a *slowing-time* of the time per task often increases output if a better work rhythm is set up.

The key to success in achieving more jobs per attended hour is not the manager, but the supervisor or foreman, backed up by the manager. Union hostility to changed working methods is frequently hostility to the removal of part of all of the "shop floor power" unions took away from supervision during the past 20 years. Once established however good supervision with effective control methods greatly improves industrial relations as all feel they have a useful role, their time is not being wasted so often, and there are less delays and frustrations. All of which go to improve productivity.

The question remains however of how to sell the increased productivity as goods at a price and quality attractive to the market.

Donald Campbell.
No. 6,
26, Charing Cross Road, WC2.

Let not poor mummy starve

From Mr. R. Rushen.

Sir,—Mr. Eric Short's articles are always interesting and often helpful, but it seems to me that his contribution (April 25) entitled "Twofold needs of the retired" reveals some serious omissions. His main advice is to dispose of as many assets as possible in order, in due course, to lessen the impact of capital transfer tax and to save only *for specific, short-term purposes*, such as a world cruise. In other words, not to bother to try to protect one's capital from the inroads of inflation.

This advice surely ignores two important points. I am, of course, referring to married couples — husbands are, as a rule, older than their wives, and women tend to live longer than men. *Thus it is highly* probable that the wife may be faced with a number of years of widowhood — for which any conscientious husband ought to make provision as far as possible, before giving away any of his assets to save some tax for his children, or to indulge in world cruises. (I am assuming that the husband is not so rich that he can afford to ignore such considerations.)

If his widow, as seems likely, wishes to continue to live in the retirement home, the expenses of doing so, such as rates, heating, maintenance, etc., will be no less than they were when her husband was alive, yet most widows' pensions, both in the private and the public sector, are unlikely to be more than 50 per cent, or at best 60 per cent of that received by the husband. She will thus need the maximum possible capital, which at that stage should certainly be invested to yield the highest possible income, to enable the widow to cope with the no doubt ever-growing cost of living. When the widow dies, the heirs should be thankful for what they get — and I am sure, in fact, that most children would much prefer their mother to be living in comfort in her old home, even at some ultimate sacrifice on their part in the field of capital transfer tax.

R. E. Rushen.
40, Nairn Road, Canford Cliffs, Poole, Dorset.

Much needed reforms

From Mr. A. Keay

Sir,—Mr. A. Mackay (April 25) suggests that the dishonest injustice of limitless capital gains tax in an age of high inflation could be overcome by putting all securities on the same basis as gilts—no tax if held for a year and a day.

In equity this could be a solution, or alternatively advancing the base date from April 5, 1965. But I fear that none of these much-needed reforms will ever be put into effect as, quite simply, the Chancellor needs the revenue that this complex tax brings in, and is not prepared *to see it diluted by any of the* reforms suggested.

I think the most we can hope for is a measure of relief for those over the retirement age.

A. D. J. Keay.
53 Cadogan Street, SW3.

Encouraging investment?

From Mr. A. Watkinson

Sir,—I was very pleased to see Mr. A. G. A. Mackay's letter (April 25) advocating that all securities should be put on the same level as gilts—no tax if held for a year and a day.

This seems a very sound idea considering the terrible inflation we have suffered from since the long term capital gains tax was introduced in April 1965.

The present system of only allowing £3,000 a year before paying capital gains tax at 30 per cent even on shares that have been held since 1965 or longer seems quite ridiculous *when* by the luck of the draw a premium bond owner can win as much as £250,000. One wonders how keen the Government really is on encouraging saving and investment?

A. I. Watkinson.
The Cottage, 3 Otley Road, Harrogate, North Yorks.

World cricket champions

From Mr. G. Hodcroft.

Sir,—I notice that Trevor Bailey (April 21) is the latest cricket writer to hail the West Indies cricket team as "world champions."

This is simply not true. The West Indians no doubt like to think of themselves as such, yet Clive Lloyd, their captain, has recently been reported as being strongly opposed to South Africa's re-entry into the "Test family."

The West Indies can never become world cricket champions until they play and defeat a representative South African side in a Test series.

G. A. Hodcroft.
30 Sandy Lane, Stretford, Manchester.

Still going strong

From the Chairman, Noble and Lund

Sir,—Mr. D. Henderson (April 22) stated that the Asquith division of Staveley Industries was the only remaining *builder of heavy machine tools* in this country.

Our company, which was established in 1886, is still in business making large machine tools weighing up to 300 tonnes. I have been led to believe that the largest plano milling machine *in India* and the largest lathe in the Gulf are Noble and Lund machines.

Last year we delivered a powerful plano milling machine which is being used for machining, at one setting, five sides of marine engine components up to 4 metres wide, 3 metres high and 12 metres long. This year's manufacturing programme includes a large computer numerically controlled plano milling machine to machine jobs up to 2 metres wide, 3 metres high and 5 metres long.

Although Asquith machines were made in competition with our range of horizontal boring machines I agree that it is regrettable that this name has to be added to the long list of fine machine tool companies which have closed down.

I make no claim that our company can entirely fill the gap left in our heavy machine tool industry and machines which are no longer manufactured in the UK will have to be imported. Mr. Henderson has pointed out the undesirability of this dependence upon foreign suppliers and it appears that the experience and skills developed over so many years in British companies may be lost for ever.

H. E. A. Noble.
The Northern Machine Tool Works,
Stuart Terrace, Felling, Gateshead,
Tyne and Wear.

The very devil

From Mr. P. Lewin

Sir,—Mr. J. Lunt (April 25) would bring in "Utopia, for ever and for evermore" by raising PAYE and lowering tax on investments, *thereby* reducing "unemployment, which is the very devil," after which "the right to strike . . . will have to go, as no longer needed in a rationally ordered society."

Unfortunately, it is human beings, with wills and ideas of their own, who are the very devil. Fiddling with taxation alters nothing. There has always been one factor preventing the establishment of Utopia, and the story of the eaters of the forbidden fruit in Paradise says it all. It is human beings who will have to go.

For those who like gardens, that is. But of course the story doesn't end there. For the fruit eaters settle down outside and very soon they are raising Cain. And after Cain becomes the first murderer, he goes off and builds a city, probably becoming the first stockbroker. Which explains how Mr. Lunt, and all of us, come to be reading the Financial Times.

Patrick Lewin.
48a Tranquil Vale,
Blackheath SE3.

Gilt-edged model

From Mr. R. Eddleston.

Sir, — I read with great interest the article about a "new" gilt-edged model in Lex (April 27). I wonder if the inability of the model to indicate any opportunities at the moment is the result of investors' access to a price model service, provided by a leading broker since 1979?

R. T. Eddleston.
de Zoete and Bevan,
25, Finsbury Circus, EC2.

Today's Events

GENERAL

UK: Mr. David Howell, Energy Secretary, speaks at Norwegian Chamber of Commerce lunch, Savoy Hotel.

Trades Union Congress general council meeting, London.

National Farmers Union council meets, London.

Mr. Tom King, Local Government Minister, speaks at Westminster Chamber of Commerce lunch, Hyde Park Hotel, SW1.

Mr. Hamish Gray, Energy Minister, and Mr. Harald Norvik, Norwegian Petroleum and Energy Secretary, start two-day visit to Brent Field and Sullom Voe.

Health Service union leaders meet management on ambulancemen's pay claim.

Mr. Harold Macmillan addresses Primrose League, Caxton Hall, SW1.

Overseas: South African general election.

Herr Helmut Schmidt, West German Chancellor, starts two-day visit to United Arab Emirates.

Poland's Communist Party central committee discusses election rule reform.

Mr. William Brock, U.S. Special Trade Representative, starts three-day meeting on Japanese car exports to U.S., Tokyo.

PARLIAMENTARY BUSINESS

See Parliamentary News on page 14.

COMPANY MEETINGS

Authority Investments, *Cadogan Hotel, 75 Sloane Street*, SW, 12. Barclays Bank, 54 Lombard Street, EC, 2.30. Fife Forge, Smeaton Road, Kirkcaldy, Fife, 12. Martin Ford, Winchester House, 77 London Wall, EC, 12. *Garton Engineering*, Park Hall Hotel, Park Drive, Goldthorn Park, Wolverhampton, 12. Molins, Plaisterers Hall, 1 London Wall, EC, 12.15. Sale Tilney, 28 Queen Anne's Gate, SW, 12.30. Squirrel Horn, Belgrave Hotel, Dialstone Lane, Stockport, 10.30. Waldorf Stationery, Newton Mill, Hyde, Cheshire, 2.30.

Clement Clarke lower

TAXABLE profits of **Clement Clarke (Holdings)**, dispensing optician, eased to £1.33m in 1980, compared with £1.39m in the previous year, after showing a £96,000 increase to £694,000 at midway.

Earnings, after tax of £412,000 (£523,000) are shown up from 13.61p to 14.35p per 25p share and the net dividend is increased to 2.665p (2.4218p) with a final of 1.5125p.

Turnover rose from £11.27m to £12.54m. On a CCA basis, the pre-tax surplus is £970,000.

Realistic terms in reinsurance 'still years away'

REINSURANCE MARKETS will take several years to return to realistic underwriting terms, warns Mr. D. M. C. Donald, chairman of **Mercantile and General Reinsurance Company**, a member of the **Prudential Corporation**.

In his chairman's statement, he says that trading conditions deteriorated further in 1980 with more newcomers adding to a surfeit of capacity in a virtually static market.

The established reinsurers had been able to maintain profitable operations largely because of the high interest rates available and the generally favourable investment climate.

But Mr. Donald says there are signs that operating conditions are changing. If inflation is brought under control, investment conditions will alter.

He warns there will inevitably be an uncomfortably long interval between the reduction in interest rates and any effective reaction from those operators which at present accept reinsurance on uneconomical terms, term fixed in anticipation of the investment return obtainable on the premium income.

MILFORD DOCKS

[illegible]A Investments has acquired [illegible]00 shares directly in the [illegible]ord Docks Company and a[illegible]er 62,000 by the acquisition [illegible]ercantoil Group, making its [illegible]ing 170,100 shares (21.8 per [illegible]).

Record year for Tarmac: dividend up 2.25p

DESPITE A £3.8m rise in interest charges to £10.8m and severe economic conditions **Tarmac**, the roadstone and civil engineering group, increased its pre-tax profits for 1980 from £38m to a record £44m—an improvement of 16 per cent.

At midyear taxable profits were well ahead at £13.56m (£7.49m) but the directors took a cautious view of the remainder of the year.

Sales for the 12 months advanced from £836.3m to £883.9m and the pre-interest profit showed a rise of £9.79m to £54.83m.

A final dividend of 10.5p raises the net total by 2.25p to 16p net.

Stated earnings per 50p share rose from 53.4p to 60.2p after a higher tax charge of £10.36m (£8.48m). The net balance emerged at £33.66m (£29.6m).

At the attributable level profits were up from £26.66m to £45.96m after extraordinary credits of £12.47m (£2.83m debits). The extraordinary credits arose from the release of deferred tax provision amounting to £16.03m (nil) and a net loss on sale and closure of plants and businesses.

Retained profits rose to £36.73m (£19.05m) after preference and ordinary dividend payments which will absorb £9.23m (£7.61m).

Current cost accounting reduces the pre-tax figure to £32.4m.

For 1981 Mr. Eric Pountain, group chief executive, says the group with its broad base of activities has demonstrated its ability to contend with the problems of the recession. He says the current aim is to direct efforts into those channels which offer the best opportunities for growth in the medium term.

Although he says there are no easy options Mr. Pountain views the future with optimism.

He says the directors' object must be to ensure that the group is ready to take advantage of the upturn in demand when the country emerges from its present difficulties.

Commenting on the results Mr. Pountain says particularly strong performances came from the quarry products and building products divisions. There was also an encouraging recovery in the UK construction side—the only disappointment being international contracting.

The quarrying products division increased profits by 10 per cent despite reduced demand in the market place, losses from the cessation of slag supplies during the steel strike and with the subsequent closure and run-down of some slag processing works. In South Africa, the division performed well and the ready mixed concrete and block making business acquired in the U.S. made a promising start.

Against a background of intense competition, profits of the UK construction division were *sharply higher* — helped by a move towards more design/construct and management type contracts. The current year will be one of consolidation with the continued objective of obtaining good quality work and margins.

Although the international division performed successfully on its major projects the results overall were disappointing, mainly because of deteriorating terms of trade in some Middle Eastern markets.

A divisional breakdown of turnover and pre-interest profits for 1980 shows: quarry products £247.6m (£239.26m) and £24.24m (£22m); building products £130.14m (£121.73m) and £14.36m (£10m): construction £314.17m (£296.08m) and £4.27m (£1.05m); international £65.37m (£71.27m) and £886,000 loss (£1.28m profit); housing £105.3m (£84.48m) and £10.6m (£9.73m); properties £4.59m (£8.59m) and £1.42m (£2.05m); and industrial £16.76m (£14.85m) and £3.63m (£1.86m). Central costs took £2.79m (£2.94m).

See Lex, Back Page

Mr. Eric Pountain

Tarmac chief executive

Investment gains restrict decline for Francis

SALES of **Francis Industries**, engineering and packaging group, fell by more than £3m to £29.71m during 1980, but pre-tax profits were only slightly lower at £1.8m against £1.92m after interest charges reduced from £499,602 to £370,195.

After current cost adjustments, the surplus is reduced to £867,000.

At mid-year, profits were ahead at £822,000 (£805,000), but the chairman warned then that the full-year surplus would not reach the 1979 level.

After tax of £198,599 (£395,212) earnings per 25p share are shown as 14.36p (17.24p) and the net asset value as 108.2p (99.4p).

Extraordinary debits of £24,187 (£94,907) leave the retained surplus higher at £1.04m against £965,332.

The dividend is held at 4.75p net with a final of 3p.

● comment

For an engineering company with heavy consumer market links, Francis has done quite well. Group turnover dropped as recession hit the all-important oil can packaging business and volume continues to be down. But the pre-tax decline—after £¼m of redundancies—has been minimised thanks to some £400,000 of investment income (against £89,000). Last year the packaging division's share of group profits eased from around two-thirds to less than 60 per cent; this division is still operating at only 75 per cent capacity. In the first quarter of this year the automotive components businesses also continued to operate below capacity—gearbox manufacturing was at an 80 per cent level and the injection mouldings division was at 50 per cent capacity. But the group is managing to stay reasonably profitable with the introduction of a new welded oil can product and an enhanced customer delivery system. Francis has a cash balance in excess of £1m and can even afford to think about acquisitions. The maintained total net dividend yields a healthy 9.6 per cent at 74p, up 4p. The fully taxed p/e is a little above 9.

David Bailey resigns as MD of Rockware

Mr. David Bailey is giving up his position as managing director of the **Rockware Group**. He will resign from the board and leave the company tomorrow.

Mr. John Craigie, group chairman, will re-assume the responsibilities of chief executive, a position he held two years ago.

Mr. Craigie said yesterday that Mr. Bailey (who is a member of the family which founded the *group in 1819) was leaving on a* "totally friendly basis." His departure was part of an operation for "slimming down at the centre" of the group.

Mr. Craigie said that the group was reducing functions at the centre of the group as part of its de-centralisation policy. Major managing directors would be reporting straight to the chairman, he said.

Mr. Bailey is to be paid compensation, but the amount is still being negotiated, said Mr. Craigie. His salary in 1980 totalled £33,206.

Rockware has been rationalising its trading operations. In 1980 group pre-tax profits fell sharply from £5.18m to £472,000, after heavy interest charges, and redundancy costs of £3.02m.

Newarthill boosts payout as profits climb

AN INCREASE from £4.88m to £6.03m in second half pre-tax profits is reported by **Newarthill** *with the result that figures for* the full year to October 31, 1980 have improved from £10.4m to £11.5m. The dividend is increased from 6p to 7p.

Turnover of this holding company with interests in construction, property and investment, and aircraft chartering, rose from £163m to £217m.

Tax for the year was £2.4m compared with £5.63m. Extraordinary items accounted for £13.31m (£6.51m) and this included provision for stock relief of £5.77m (£6.32m) no longer required, profits on disposal of properties and investments amounting to £4.83m, and release of the provisions for diminution in value of properties of £2.7m.

Stated earnings per £1 share were 68.1p (59.8p) before tax, and 53.5p (25.3p) after.

At the halfway stage, pre-tax profits advanced from £5.16m to £5.47m and this included an increased contribution from the group's allied activities.

In March the group sold its interest in Rank Estates which it held through Sir Robert McAlpine and Sons (Trade Investments) for £12m.

HIGHLIGHTS

The long-awaited expansion move by **Consolidated Gold Fields** arrived yesterday in the shape of an approach to the U.S. mining group **Newmont**. **Tarmac** has produced better profits with a rise from £38m to £42.2m pre-tax and a dividend increase of 16 per cent. Prospects for the current year look good. Lex also looks at the general shake-out in the market yesterday in the run up to the end of the account. Another overgeared manufacturing company has turned to its bankers for help. Yesterday it was the turn of **Myson** to receive a capital injection from **Barclays Bank**, which is taking a convertible preference stake in the company. Finally there is a new twist in the **Gasco** saga with an upping of the bid for **St. Piran** by 10p a share, which appears to have clinched control.

● comment

Newarthill's preliminary figures reveal a surge in turnover, typical these days from construction companies scrambling for business on tight margins. However, the holding company for the Robert McAlpine construction interests has also managed a handsome 23.6 per cent rise in pre-tax profit in the second half, admittedly against a depressed 1979 figure, and probably reflecting the increased contribution from allied activities noted at the interim stage. Moreover, a number of provisions below the line result in more than doubled earnings per share. The shares rose 5p to 455p yesterday where the fully taxed p/e is nearly 14 and the yield only 2.2 per cent.

Corinthian Holdings slips to £0.62m for 1980

PROFITS before tax of **Corinthian Holdings**, the financial services, textiles and printing group, fell from £659,490 to £622,720 for 1980 on turnover increased from £7.03m to £7.36m.

The taxable surplus was after a provision of £5,186, against a release last time of £33,152.

The group, which showed an increase in first-half profits from £251,000 to £272,000, is paying an increased final dividend of 1.1p (1p), making a net total for the year of 1.85p (1.5p).

Tax took £151,035 (£147,282) and minority interests £1,333 (£24,433). But with extraordinary items contributing £121,203 (nil), retained profits were £491,061 (£406,294).

Earnings per 10p share emerged at 8.7p (9p) before the extraordinary items and at 10.9p (9p) after.

The results include those of Corinthian Securities which was sold in December for £1.25m. It contributed £99,218 (£106,740) to the group's total banking and financial profits of £174,503 (£126,391) and also released provisions on bad debts of £3,305 (£34,570).

M.Y. Dart down £241,000 at midyear

TAXABLE PROFITS of **M.Y. Dart**, manufacturer of sports equipment, packaging materials and pyrotechnics, slipped from £755,000 to £514,000 in the half-year to *December* 27, 1980, on turnover marginally higher at £11.4m, compared with £11.02m.

The surplus was struck after increased interest charges of £229,000 (£189,000), depreciation of £357,000 (£298,000) but was subject to tax of £75,000 (£392,000).

Mr. S. Marks, the chairman, says it is not possible to prophesy *what the outcome of the first six* months of 1981 will be. The year began in a general trading climate in the UK of almost unrelieved gloom, he says, and it was not until late March that there were any signs of a re-awakening of consumer interest in the home market.

However, he is maintaining the interim dividend at 1p net—last year a total of 2.9p was paid from pre-tax profits of £1.23m (£1.72m).

The company is changing its accounting date from June 30 to December 31 and the current *period will cover the 18 months* to end-December, 1981. A second interim report will be made towards the end of October.

● comment

MY Dart's depressed interim results went against the current of some recent speculation and the shares fell 6p yesterday to 43p. There has been some pick-up in the group's bicycle sales recently and dart boards continue to benefit from the increasing television exposure of the game. But the important *polystyrene packaging business* is suffering from raw material cost increases and poor demand for UK made and packaged consumer durables. The group's profits for the 12 months to June will probably not exceed the restated £1.1m last year. The decision to change the company's year end means that the current period will run 18 months but the chairman does not say whether the next payment will be similar to last year's final or just another 1p interim. And the 9.8 per cent historic yield is probably one of the main sources *of support for the price.*

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Ben Bailey ....int.	0.44	July 8	0.44	—	1.44
A. & C. Black	1.5	—	2.79	2	5.39
Bodycote Intnl.	2	July 1	2	4	4
Border & Southern¶ int.	1.25	May 29	0.8	—	2.95‡
Clement Clarke	1.51	—	1.38	2.67	2.42
Corinthian Holdings ...	1.1	July 3	1	1.85	1.5
English Nat. Invest.‖ ...	1.31	June 24	1.22	2.36	2.23
English Nat. Invest.** ...	2.79	June 24	2.43	4.54	4.02
Farnell Elect.	3.7	July 1	2.7	5.2	4
[illegible] Castle Elect.	1.07	—	0.72	1.79	1.45
Francis Inds.	3	July 3	3	4.75	4.75
Lake View Inv.	2.65	July 1	2.5	3.85	3.6§
Leadenhall Sterling	2.13	June 26	1.88	3.5	3.13
Marlborough Prop.	0.33	—	0.3	0.33	0.3
M.Y. Dart ....int.	1	July 1	1	—	2.9
Myson Group	Nil	—	2.3	1	3.8
Newarthill	7	June 19	6	7	6
M.F. North	0.68	June 25	0.68	0.8	0.8
Scottish Northern	2.25	June 20	1.94	3.45	3.14
Silentnight Hldgs.	2.5	—	2.03	3.5	3
Sunlight Service	1.95	June 13	1.4	2.5†	1.9
Tarmac	10.5	July 6	8.75	16	13.75
Viking Resources	0.4	June 29	0.79*	0.8	1.45*‡

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ After special payment. § Includes special payment of 0.65p. ¶ To reduce disparity. ‖ On preferred ordinary shares. ** On deferred ordinary shares.

RESULTS AND ACCOUNTS IN BRIEF

ENGLISH NATIONAL INVESTMENT COMPANY (Investment trust)—Gross income £268,670 (£253,228) for year to end March, 1981. Net income £140,793 (£130,451) after tax £87,777 (£82,851). Preferred ordinary final dividend is 1.31p, making 2.36p (2.23p). Deferred ordinary final is 2.79p, making 4.54p (4.02p). *Preferred earnings per* share were 2.39p (2.28p) and deferred earnings were 4.65p (4.24p).

RECKITT AND COLMAN (food and wine, household, pharmaceutical, industrial and leisure)—Results for year to January 3, 1981, reported April 2 in full preliminary statement. Current cost pre-tax profits £32.4m (£29.7m) against historical £53.17m (£51.01m). Ordinary shareholders' interests £201.06m (£195.54m). Fixed assets £160.96m (£148.33m). Net current assets £103.63m (£99.49m). Decrease in net borrowing £1.98m (£26.07m increase). Meeting, Connaught Rooms, WC, May 21, 11 am.

BEN BAILEY CONSTRUCTION (building contractor and estate developer)—For half year to December 31, 1980, turnover £2.11m (£2.81m), pre-tax profits £110,156 (£272,431). After tax £57,300 (£141,520) earnings per 10p share 1.016p (2.505p). Interim dividend 0.44p (same) net. Board says results are rather disappointing but not wholly unexpected.

A. AND C. BLACK (publisher)—Results for 1980: Pre-tax loss £69,000 (£65,000 profit). Interest charges £76,000 (£43,000). Final dividend 1.5p (2.79p), making p net (5.39p). Turnover £2.28m (£2.32m). Tax credit £71,000 (£1,000 charge). Stated earnings per 25p share 0.3p (6.5p).

PLANTATION AND GENERAL INVESTMENTS—*Turnover for 1980 £767,719* (£680,513) and pre-tax profits £132,474 (£74,821). Tax £28,946 (£13,709), minorities £453 (£3,095). attributable £103,075 (£58,016). Final dividend 1p making 1.5p (1p) total, costing £36,615 (£24,410). Undiluted earnings per share 4.2p (adjusted 2.4p) and fully diluted 4.1p (2.3p).

GRAMPIAN HOLDINGS (construction, plant hire, transport, light engineering and retailing)—Results for 1980 reported on April 3. Shareholders' funds £15.56m (£14.21m); fixed assets £12.47m (£9.16m); net current assets £6.4m (£8.68m); cash at bank and on hand £63,000 (£237,000); long-term loans £2.95m (£3.02m). Meeting, Glasgow, May 22, at noon.

ROTORK (valve control equipment, marine craft and machine tools)—Results for 1980 and prospects reported March 26. Shareholders' funds *£11.28m (£10.28m). Net current assets* £7.2m (£6.71m). Fixed assets £3.42m (£3.18m). Cash £1.78m (£2.36m). Meeting, Bath, May 20, 3 pm.

CARPETS INTERNATIONAL — Results for the year to January 3, 1981, reported April 3, with chairman's observations on prospects. Shareholders' funds £29.5m (£38.49m). Group fixed assets £26.6m (£29.5m). Net current assets *£19.9m (£29.26m). Meeting,* Kidderminster, on May 21, at 12.30 pm.

S. JEROME AND SONS (HOLDINGS) (textiles, electronic communications)—Results for 1980, reported April 9. Shareholders' funds £3.49m (£3.24m). Fixed assets £2.09m (£2.08m). Net current assets £1.77m (£1.61m). Meeting, Bramhope, May 21, 12.30 pm.

WM. MORRISON SUPERMARKETS—Results for the year to January 31, 1981 reported April 3. Group fixed assets £26.31m (£22.47m). Net current liabilities £4,677 (£3,512). Shareholders' funds £21.51m (£18.83m). Meeting, Bradford, May 21 at 11 am.

LONDON TRADED OPTIONS

(April 28 Total contracts 2,662)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	330	48	2	—	—	—	—	386p
BP	360	18	114	40	15	48	1	"
BP	390	¼	24	19	33	32	—	"
BP	420	¼	67	11	2	18	—	"
BP	460	¼	9	7	—	—	—	"
BP	500	¼	5	3	—	—	—	"
Com. Union	140	24	1	33	—	36	—	163p
Com. Union	160	4	146	16	4	21	—	"
Com. Union	180	½	75	8	—	13	—	"
Cons. Gold	420	48	2	67	—	80	—	466p
Cons. Gold	460	8	25	40	6	58	—	"
Cons. Gold	488	½	3	—	—	—	—	"
Cons. Gold	538	¼	7	—	—	—	—	"
Cons. Gold	550	—	—	10	—	17	1	"
Cons. Gold	588	¼	161	3	—	—	—	"
Cons. Gold	638	¼	2	2	—	—	—	"
Cons. Gold	688	¼	2	1	—	—	—	"
Courtaulds	50	24	9	26	—	28	—	73p
Courtaulds	60	14	7	16½	16	18	3	"
Courtaulds	70	4	14	10	4	12	—	"
Courtaulds	80	—	—	4	18	6½	15	"
GEC	500	180	—	195	1	—	—	680p
GEC	550	130	1	145	—	160	—	"
GEC	600	80	3	95	1	110	—	"
GEC	650	30	24	53	7	73	—	"
GEC	700	½	88	23	20	42	—	"
Grand Met.	140	67	5	73	—	76	—	205p
Grand Met.	160	47	10	53	2	56	—	"
Grand Met.	180	27	24	33	—	37	—	"
Grand Met.	200	7	34	17	18	24	1	"
Grand Met.	220	—	—	8½	67	14	1	"
ICI	220	82	—	94	—	100	1	300p
ICI	260	42	8	54	5	60	—	"
ICI	280	22	8	34	34	40	13	"
ICI	300	2	49	24	19	29	23	"
ICI	330	½	17	10	107	14	—	"
ICI	360	½	48	5	3	—	—	"
Land Sec.	390	29	—	42	5	57	—	418p
Land Sec.	420	1	105	21	27	38	—	"
Land Sec.	460	½	—	7	4	18	—	"
Marks & Sp.	100	36	12	40	43	—	—	136p
Marks & Sp.	110	26	—	30	1	35	—	"
Marks & Sp.	120	16	11	22½	42	27	—	"
Marks & Sp.	130	6	17	14	83	18	7	"
Marks & Sp.	140	—	—	7½	22	10	1	"
Shell	330	48	—	58	25	70	—	376p
Shell	360	18	1	36	—	48	—	"
Shell	390	1	5	22	37	34	—	"
Shell	420	¼	66	11	74	20	20	"
Shell	460	¼	18	5	3	12	3	"
Shell	500	¼	28	2	—	—	—	"
Shell	550	¼	4	1	—	—	—	"
Totals			1259		748		90	
		May		August		November		
Barclays B'k	460	3	18	11	10	20	—	423p
Imperial Gp.	70	5	—	8½	—	9	5	71p
Imperial Gp.	80	1½	6	3	25	4	—	"
Lasmo	500	32	5	50	—	77	—	519p
Lonrho	90	4½	20	10½	70	14	6	92p
Lonrho	100	2	20	6	—	9	3	"
Lonrho	110	1	1	4	50	6	—	"
P. & O.	140	14	48	21½	—	26½	—	153p
P. & O.	160	4	80	10	5	14	1	"
P. & O.	180	2	10	5	4	7	10	"
Racal Elec.	360	18	70	35	6	47	—	365p
Racal Elec.	390	4	54	19	7	50	2	"
RTZ	454	30	28	—	—	—	—	478p
Totals			360		178		27	

SPAIN

April 28	Price %	+ or −
Banco Bilbao	304	
Banco Central	354	+8
Banco Exterior	270	+1
Banco Hispano	311	+4
Banco Ind. Cat.	124	
Banco Santander	334	+2
Banco Urquijo	188	+3
Banco Vizcaya	323	+4
Banco Zaragoza	214	
Dragados	142	+2
Espanola Zinc	75	
Fecsa	62.7	+1.5
Gal. Preciados	28.5	+0.5
Hidrola	66.7	+1.0
Iberduero	58.2	+0.2
Petroleos	101.7	
Petroliber	88	
Sogefisa	81	
Telefonica	61.2	+0.2
Union Elect.	66.0	+1

CORAL INDEX

Close 571-576 (−14)

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB — Telephone 01-621 1212

1980-81 High	Low	Company	Last price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
76	39	Airsprung	74	—	4.7	6.4	11.7	16.3
52	21	Armitage and Rhodes...	51	—	1.4	2.7	21.0	48.6
194	92½	Bardon Hill	194	—	9.7	5.0	7.3	12.4
100	88	Deborah Services	100	—	5.5	5.5	4.9	9.4
126	88	Frank Horsell	103	—	6.4	6.2	3.2	5.9
110	39	Frederick Parker	54	—	1.7	3.1	23.5	—
110	64	George Blair	64	—	3.1	4.8	—	—
110	59	Jackson Group	103	—	6.9	6.7	3.8	8.0
124	103	James Burrough	117	—	7.9	6.8	9.6	9.6
334	244	Robert Jenkins	318	—	31.3	9.8	—	—
55	50	Scruttons "A"	52	—	5.3	10.2	3.8	3.8
224	206	Torday	206	—	15.1	7.3	3.5	8.0
23	8	Twinlock Ord.	11	—	—	—	—	—
90	69	Twinlock 15% ULS	72	—	15.0	20.8	—	—
56	35	Unilock Holdings	44	—	3.0	6.8	6.8	10.7
103	81	Walter Alexander	100	—	5.7	5.7	5.5	8.8
263	181	W. S. Yeates	257	—	13.1	5.1	4.9	9.9

Farnell Electronics rises £1.5m and lifts payout to 5.2p

TAXABLE PROFITS of Farnell Electronics expanded from £5.12m to £6.62m during 1980 and the net dividend is stepped up from 4p to 5.2p with a final 1p higher at 3.7p.

Turnover of the group, which manufactures and distributes electronic equipment, went up from £25.26m to £29.81m. Tax took £3.09m (£2.06m) and, after minorities of £1,000 (£3,000) and the dividend distribution of £807,000 (£621,000), retained profits rose from £2.44m to £2.73m.

Stated earnings per 20p share are up from 19.73p to 22.78p.

The increased profit—reduced to £3.64m (£4.31m) on a CCA basis—was achieved despite a turnround from a surplus of £159,000 to a loss of £1,000 in the consumer goods distribution division.

The electronic component distribution and manufacturing divisions both increased their profits, to £4.33m (£3.29m) and £1.01m (£0.87m) respectively.

Profits from other sources, including parent company, rose from £800,000 to £1.29m.

Following the introduction of new stock relief rules, an amount of £2.72m has been transferred directly from the deferred tax account to retained profits in the balance sheet.

● comment

The "mini-sector" of four electronic components distributors now appears to be splitting into two divergent camps. Farnell's satisfying pre-tax rise puts this company into the more successful camp along with Electrocomponents. On the less fortunate side are Unitech and perhaps Diploma, the companies with a greater emphasis on "active" components such as micro-processors. Put simply, the active component companies are facing serious price-cutting while companies like Farnell, more diversified and flexible, are continuing to register profits growth. Farnell is sitting on a cash balance in excess of £5m, is opening a new warehouse in Leeds and has supplemented its distribution and manufacturing profits growth with added investment income. This year Farnell will experience slower profits growth, possibly making around £7m pre-tax. So none of the companies is recession proof, but Farnell is managing to defend its high (20 plus) earnings multiple. The yield 457p, up 17p, remains an inconsequential 1.6 per cent.

IMI chairman says sales still at depressed levels

SHAREHOLDERS OF IMI, the metals refiner and fabricator, were yesterday told that group sales in the first quarter of this year were still at the same low level as in the final quarter of last year.

Speaking at the annual general meeting, Sir Michael Clapham, chairman, said sales were substantially below those in the first quarter of last year and offered little hope of immediate improvement.

He stressed that to maintain last year's profit performance would require some recovery in volume in the second half of this year.

Mr. S. C. Thomson, chairman of the engineering company, Clayton Son and Co. (Holdings), told shareholders the group's order book was considerably lower than he would like to see it.

There appeared to be, however, a slight upturn in inquiry levels and Mr. Thomson said there were still many projects, already serviced, which had yet to be awarded.

Pre-tax profits for the first four months of this year of Vantona, the textiles group, were up on last year, Sir James Spooner, chairman, said at the annual general meeting.

He said all divisions of the group were making a profit and the directors did not expect the sudden downturn experienced last year. He believed the outlook for the second half of the year was brighter.

At the annual general meeting of London and Scottish Marine Oil, Mr. Geoffrey Searle, chairman, said the year has started well. In the first three months, the group sold 2.6m barrels of oil and 2.8bn cubic feet of gas. Gross sales proceeds totalled £40m, compared with £25m in the first quarter of 1980.

YEARLINGS

An unchanged-coupon rate of 12⅞ per cent is payable on this week's issue of local authority bonds. The bonds are issued at par and are redeemable on May 5, 1982.

A full list of issues will be published in tomorrow's edition.

First Castle improves

DESPITE A slightly lower turnover of £2.19m, compared with £2.25m, profits of First Castle Electronics advanced in the 12 months to January 31, 1981, the pre-tax figure emerging £179,946 higher at £530,884.

A final dividend of 1.069p (0.724p) brings the total up to 1.792p net (1.327p).

Tax was higher at £53,109 (£6,073) leaving an attributable balance of £477,775 (£344,865) and stated earnings per 10p share of 7.06p (5.38p adjusted).

The directors are optimistic about the continuing short- and long-term growth of the company and they are proposing to increase the authorised capital in order to facilitate further expansion.

The order book in the electronics companies is healthy and the management here has been strengthened to enable the companies to maximise their opportunities. Further expansion by acquisition is also being actively pursued.

A financial leasing division has been established which will offer considerable advantages in the sale of electronic equipment to customers as well as providing a profitable venture with beneficial tax advantages.

Commenting on the past year's results the directors explain that although the piano division failed to maintain its turnover levels and profits were reduced, the shortfall was more than made up by the expanding electronics

● NEWS ANALYSIS

Barclays bets on a Myson recovery

BY JOHN MOORE

THE UNUSUAL refinancing package for Myson Group, the loss-making heating, ventilation and air-conditioning specialist, "should not be regarded as a precedent for the future," remarked a Barclays Bank official.

In a rare move, a single clearing bank, in this case Myson's main commercial lender, is to subscribe at par £3m of a new class of 8 per cent redeemable cumulative preference shares which after conversion could give Barclays 31 per cent of the shares in Myson.

Barclays has had some experience in this area. In 1978, Barclays and the National Enterprise Board took a 37.5 per cent stake each in Monotype, the UK manufacturer of typesetting equipment.

Barclays' criteria for accepting direct equity involvement with a company is that the concern must have a combination of a good management, a good product and a possible market when the recession is over.

Myson fits the bill, according to Barclays, although it has been badly mauled by the recession.

Attributable losses in the last financial year amounted to £5.5m compared with attributable profits of £1.84m a year earlier.

The group started 1980 on budget for the first three months but was caught out for the rest of the year by a variety of factors.

Merchants and other customers which had built up their stocks of heating and ventilation goods in anticipation of shortages caused by the steel strike found themselves overstocked and reduced orders. Sales almost came to a halt at Myson.

As demand fell the impact of rising interest rates on the group's high borrowings (largely overdraft and loans repayable in one year), took its toll on overall profitability.

Myson had made its own arrangements to cope with the steel strike and possible shortages of materials. It committed itself to longer-term contracts with overseas steel suppliers and found that it was not possible to immediately reduce those commitments as sales fell rapidly in the UK.

The group was also squeezed by adverse currency movements. A strong pound affected export sales, which in the 1979 financial year accounted for about 15 per cent of total turnover.

As Government public spending cuts in the UK dug deep into the local authority housebuilding market, so the demand for Myson's heating products also fell away.

Myson retrenched. The number of employees was reduced from 3,381 at December 31, 1979 to 2,446 at March 31, 1981. These measures cost the company £1.57m in exceptional closure costs and redundancy costs, swelling bank borrowings.

Although significant reductions have been made, borrowings earlier this month stood at £18.9m—nearly five times the group's stockmarket capitalisation of £3.84m at yesterday's share price of 40p.

The group's debt has now been re-scheduled under the new arrangement with Barclays. Existing facilities, which comprise a medium-term loan of £4.375m and an overdraft facility of £12m, are to be replaced by a £10m 10-year loan facility, and a three year overdraft facility of £5m. Facilities from other lenders total £4.16m.

Barclays is subscribing £3m of convertible preference shares which can be converted at a price of 70p in the years 1984 to 1991. This could give Barclays a 31 per cent stake if it decides to convert.

On the trading front, Myson, which has had to absorb the effects of an ambitious acquisition programme in the early 1970s, is looking for future growth from the emerging energy conservation market.

In the existing markets which it dominates, such as fan convectors, heated towelrails, oil boilers, and radiators, it is not making any forecasts.

See Lex, Back Page

Second half dive leaves near £3m loss

LOSSES of £2.73m in the second half of 1980 have left Myson Group with a deficit of £2.97m before tax for the full year, compared with a profit of £2.1m in 1979.

The directors are omitting the final dividend, and the 1p interim payment represents the total for the year, against 3.8p last time.

Turnover slipped from £58.31m to £53.35m, and the loss was struck after higher interest charges of £3.4m against £2.2m. Tax took £6,613 (£52,397 credit).

After extraordinary debits of £1.57m (£310,627), comprising closure costs, redundancy payments and investments written off in subsidiaries, and the write off of £942,536 ACT, the net loss is £5.49m, compared with a profit of £1.84m.

No current cost accounts are provided.

CIS life fund tops £1bn

THE LIFE assurance fund of the Co-operative Insurance Society last year passed the £1bn mark, reaching £1.03bn at the end of 1980 compared with £897m at the beginning of the year.

Premium income rose by nearly 20 per cent from £167m to £199m and investment income, including unrealised appreciation, by 12 per cent from £98m to £110m. Claims were 15 per cent higher at £109m.

Premium on general insurance business rose by more than a quarter from £131m to £166m, but the underwriting loss in 1980 increased from £3.6m to £5.3m, with the motor account losing £4.2m.

Investment income rose by nearly one-third from £15.5m to £20.4m and the pre-tax profit increased from £9.5m to £11.9m.

Mr. Hedley Whitehead, in his chairman's statement, says the home service insurance industry is flourishing, catering as it does for the insurance needs of the ordinary family. He refutes the assertion that the provision of home service is expensive compared with other methods of premium collection and servicing. He maintains it is more economical, providing there is a reasonable volume of business.

Mr. Whitehead says in 1980 the society had reduced the expense ratios in its three main classes of business—life, motor and property. The ratio for industrial life business dropped from 33.5 per cent to 30.6 per cent last year.

BASE LENDING RATES

A.B.N. Bank	12 %	■ Guinness Mahon	12 %
Allied Irish Bk.	12 %	■ Hambros Bank	12 %
American Express Bk.	12 %	Heritable & Gen. Trust	12 %
Amro Bank	12 %	■ Hill Samuel	§12 %
Henry Ansbacher	12 %	C. Hoare & Co.	†12 %
AP Bank Ltd.	12 %	Hongkong & Shanghai	12 %
■ Arbuthnot Latham	12 %	Keyser Ullmann	12 %
Associates Cap. Corp.	12 %	Knowsley & Co. Ltd.	14 %
Banco de Bilbao	12 %	Langris Trust Ltd.	12 %
BCCI	12 %	Lloyds Bank	12 %
Bank of Cyprus	12 %	Mallinhall Limited	12 %
Bank of N.S.W.	12 %	Edward Manson & Co.	13 %
Banque Belge Ltd.	12 %	Midland Bank	12 %
Banque du Rhône et de la Tamise S.A.	12½%	■ Samuel Montagu	12 %
Barclays Bank	12 %	■ Morgan Grenfell	12 %
Beneficial Trust Ltd.	13 %	National Westminster	12 %
Bremar Holdings Ltd.	13 %	Norwich General Trust	12 %
Bristol & West Invests.	13 %	P. S. Refson & Co.	12 %
Brit. Bank of Mid. East	12 %	Ryl. Bk. Canada (Ldn.)	12 %
■ Brown Shipley	12½%	Slavenburg's Bank	12 %
Canada Perm't Trust	13 %	E. S. Schwab	13 %
Cayzer Ltd.	12 %	Standard Chartered	‖12 %
Cedar Holdings	12 %	Trade Dev. Bank	12 %
■ Charterhouse Japhet	12 %	Trustee Savings Bank	12 %
Choulartons	12 %	TCB Ltd.	12 %
C. E. Coates	12 %	United Bank of Kuwait	12 %
Consolidated Credits	12 %	Whiteaway Laidlaw	12½%
Co-operative Bank	*12 %	Williams & Glyn's	12 %
Corinthian Secs.	12 %	Wintrust Secs. Ltd.	12 %
The Cyprus Popular Bk.	12 %	Yorkshire Bank	12 %
Duncan Lawrie	12 %		
Eagil Trust	12 %		
E. T. Trust Limited	12 %		
First Nat. Fin. Corp.	14½%		
First Nat. Secs. Ltd.	14½%		
Robert Fraser	12 %		
Antony Gibbs	12 %		
Greyhound Guaranty	12 %		
Grindlays Bank	‡12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1-month 9¼%. Short term £8,000/12 months 11.85%.
† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 9¾%, and over £50,000 10½%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 9½%.
‖ 21-day deposits over £1,000 10½%.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$475	—	—	1	50	—	—	$485.50
GOLD C	$500	21	9	—	—	—	—	"
GOLD C	$525	—	—	2	26	—	—	"
GOLD C	$550	—	—	25	18	1	34 A	"
GOLD P	$500	11	22	3	36	15	38	"
GOLD P	$525	4	41	22	46	—	—	"
		July		Oct.		Jan.		
ABN C	F.300	41	7	11	9	—	—	F.294
ABN C	F.320	14	1.90	—	—	—	—	"
AKZO C	F.17.50	46	7.10	11	7.80	—	—	F.24.40
AKZO C	F.20	28	4.70	—	—	—	—	"
AKZO C	F.22.50	55	2.90	18	4	30	5	"
AKZO C	F.25	21	1.50	115	2.70	8	3.60	"
AKZO P	F.22.50	20	0.50	9	0.90	—	—	"
AKZO P	F.25	24	1.40 A	51	2	—	—	"
HEIN C	F.55	76	2.50 B	—	—	—	—	F.57.50
HEIN P	F.45	10	0.40	—	—	—	—	"
HEIN P	F.50	20	1	10	2.40 A	—	—	"
HEIN P	F.55	30	2.40	—	—	—	—	"
HOOG C	F.22.50	—	—	18	0.90	—	—	F.19.30
IBM C	$55	—	—	6	3½	—	—	$61⅛
KLM C	F.90	16	34	—	—	—	—	F.123
KLM C	F.110	96	18.50	—	—	—	—	"
KLM C	F.120	85	12.50	—	—	—	—	"
KLM C	F.130	119	8.50	35	12.20A	—	—	"
KLM P	F.80	30	0.80	—	—	—	—	"
KLM P	F.90	78	1.50	—	—	—	—	"
KLM P	F.100	87	3.90	7	6.90	—	—	"
KLM P	F.110	24	6.80	19	12.60	—	—	"
KLM P	F.120	12	11.10	—	—	—	—	"
KLM P	F.130	26	16.50	7	22.30	—	—	F.119.30
NATN C	F.125	6	2	11	4	—	—	F.22.10
PHIL C	F.15	42	7.90	—	—	—	—	"
PHIL C	F.17.50	107	4.90	118	4.80B	—	—	"
PHIL C	F.20	534	2.40	254	2.80	180	3.30	"
PHIL C	F.22.50	849	1.20	291	1.60	108	2	"
PHIL P	F.20	109	0.50	11	0.80	—	—	"
PHIL P	F.22.50	30	1.20	—	—	—	—	"
RD C	F.90	71	4.50	14	6	15	7.20	F.91
RD C	F.95	19	2.50	—	—	—	—	"
RD C	F.100	40	1.30	18	3	—	—	"
RD C	F.110	70	0.60	22	1.20	—	—	"
RD C	F.120	68	0.20	—	—	—	—	"
RD P	F.80	48	1.70	—	—	—	—	"
RD P	F.90	24	5.20	21	7.50	—	—	"
RD P	F.100	17	13.50	15	13.60 B	—	—	"
UNIL C	F.130	12	14	—	—	—	—	F.142.80
UNIL C	F.140	—	—	14	6.20	9	7	"
UNIL P	F.130	—	—	10	2.80	—	—	"
		May		Aug.		Nov.		
VW C	DM.160	—	—	7	9.50	—	—	DM166

TOTAL VOLUME IN CONTRACTS 4627

A=Asked B=Bid C=Call P=Put

MINING NEWS

Gold Fields buying into Newmont

BY KENNETH MARSTON, MINING EDITOR

WHILE U.S. oil majors are actively seeking to move in on domestic and foreign mining companies, London's Consolidated Gold Fields appears as a maverick on the scene by making a play for a large slice of a U.S. natural resource group, **Newmont Mining**, which has assets of some $1.4bn (£647m).

Gold Fields announces that via its U.S. subsidiary, **Amcon**, it has purchased over the past five weeks some 1.84m shares, or about 7 per cent, of the common equity of Newmont in open market transactions at a total cost of about £45m, equal to an average price of $58 per share.

After having been suspended in New York at a price of $62½, trading in the shares was later resumed at $66½ yesterday.

Furthermore, Gold Fields says that it wants to raise this stake to a minium of 25 per cent, but less than 50 per cent of the U.S. company which derives about half its earnings from copper and which also has important interests in other base metals, precious metals and oil and gas.

Depending on the prices paid and the total amount of Newmont shares acquired Gold Fields' outlay on Newmont could amount to between $500m (£231m) and $750m. It is understood that Gold Fields invested the £181m proceeds of last November's rights issue in forward dollars at about $2.40 to the pound; the current rate is $2.16.

Mr. Rudolph Agnew, deputy chairman and group chief executive of Gold Fields, said in London yesterday that agreement was not sought with Newmont before the share purchases but that the latter had a "professional calm and courteous reaction" to the news.

He added that Newmont—earnings of which have expanded from $51m in 1971 to $196m last year—was a very well run international company and "we do not want to control or dominate it." Gold Fields hopes to negotiate a deal with Newmont over the acquisition of the further shares but no decision on this has been taken and it is possible that purchases might be made in the sharemarket.

Under U.S. Securities and Exchange Commission rules a company must disclose when it has acquired more than 5 per cent of another's shares. "We now wait to see the reaction from U.S. (Governmental) agencies on whether we are acceptable foreigners."

In this context Mr. Agnew no doubt had in mind the much criticised dawn sharemarket raid early last year in which the South African Anglo American Corporation-De Beers group lifted its holding in Consgold to 25 per cent.

The holding, subsequently increased to 29 per cent was later put into **Minerals and Resources Corporation**, a Bermuda-registered company in which Anglo has a stake of 42 per cent and De Beers 23 per cent.

The Gold Fields' rights issue was designed to provide funds for new acquisitions which will maintain the group's profits growth. Mr. Agnew pointed out that the Newmont deal is "very much part of an overall plan." Other moves include last week's announcement of the R3bn (£1.7bn) South African **East Driefontein-West Driefontein** gold mining merger.

So far the spending envisaged in the group's interests in Australia, South Africa and now in the U.S. has committed well over half the rights issue funds.

Gold Fields' philosophy is to raise its stakes to just under 50 per cent in North American, South African and Australian interests, leaving them with a fair degree of autonomy. A "non-hostile" approach is Mr. Agnew's aim.

This he applied particularly to the Newmont move which also could lead to a combined mining company set-up big enough to ward off any marauders from the oil industry. Newmont has been considered likely prey for one of them.

Clearly he sees no reason to think that oil companies, for all their money, are better at running mining operations than the mining men. Indeed, "we believe that mining is too important to be left to the oil companies."

From New York **Paul Betts** reports that Newmont said that it had known nothing about the Consgold purchase of its stock.

Declining to elaborate on the British company's move, Mr. Plato Malozemoff, chairman of the U.S. mining group, confirmed that Consgold's purchases "were made without Newmont's knowledge."

He added that the Newmont directors would meet shortly to consider what action should be taken in the best interests of the company's shareholders. "The board will be appraised of a number of substantial legal and other implications of such a buying programme for Newmont and its shareholders."

See Lex, Back Page

De Beers to lift production

IN A demonstration of its confidence in the long-term future of the world market for diamonds, South Africa's **De Beers Consolidated Mines** still plans to increase its production, according to the latest annual report.

De Beers, the most important force in world diamond mining and rough gem marketing, has more than doubled its annual production during the last 15 years to over 14m carats, and plans a further increase to around 19m carats by 1983.

Output last year rose to 14.7m carats, with the bulk of the increase coming from the group's mines in Botswana and at Finsch, in the North Cape of South Africa. These areas will also spearhead the further rises foreseen for the next few years.

De Beer's stocks of diamonds rose sharply last year and are now valued at R698m (almost £400m), an increase of R288m on the year-end 1979 figure. The main reason for this rise, according to Mr. Harry Oppenheimer, chairman, was that the boom conditions experienced during the late 70s came to an end in the middle of last year.

The current difficult conditions are caused not so much by any serious decline in consumer demand, but by the effects of "unjustified speculation" in the cutting centres, Mr. Oppenheimer said. He pointed out that consumption of diamond jewellery in 1980 was at record levels, and continues to be satisfactory so far in the current year.

Retailers' stocks are now at a low ebb, and will have to be replenished before too long in order to meet the continuing consumer demand, Mr. Oppenheimer said.

In the short term, however, De Beers' **Central Selling Organisation**, which accounts for the bulk of world sales of rough diamonds, is carrying out its traditional function of reducing the quantity of goods offered to customers in order to help the market to recover its balance.

"In particular," said Mr. Oppenheimer, "the CSO is withholding from sale the larger diamonds of high quality which were the prime medium of speculation and of which significant quantities are now still held by the trade."

As one example of this, sales to Israeli dealers and cutters are believed to be running at about half the level of a year ago.

All this will obviously cut into De Beers' profits, certainly in the first half of the current year and perhaps for longer, depending on the timing of the retail trade's moves to replenish stocks.

The adverse effects of this will to some extent be cushioned by the group's substantial investments outside the diamond industry. Income from this source rose by 18 per cent last year, led by the return on De Beers' 38.4 per cent holding in **Anglo American Corporation**.

Another of De Beers' major investments outside diamonds is the 14 per cent stake in London's **Consolidated Gold Fields**. This has been transferred to **Minerals and Resources Corporation** (Minorco), the Anglo-De Beers group's Bermuda-registered investment company.

De Beers' stake in Minorco has risen to 23 per cent as part of a series of transactions designed to make the Bermuda company a self-financing vehicle for the group's expansion outside South Africa, with North America as its principal target.

Mr. Oppenheimer said he was confident the reorganisation would prove very advantageous in the future.

De Beers shares rose 2p to 372p in London yesterday.

Peko-Wallsend forecasts fall in profit

PROBLEMS IN re-starting production at the Tennant Creek smelter in Australia's Northern Territory cut **Peko-Wallsend's** metal production in the three months to March 31, reports our Sydney correspondent.

The company predicted operating losses for the smelter until June of this year, and said that its profits for the current year will be well down on the result for 1979-80. Peko-Wallsend earned A$46.68m (£25m) in the last full year.

Problems at Tennant Creek have already caused a one-third drop in profits for the first half.

Peko produced only 2,388 tonnes of blister copper in the March quarter, 4,058 tonnes less than planned, and just under 6,000 ounces of gold, down by more than half against the target.

The company expects the planned production rate of 24,000 tonnes of copper per year at Tennant Creek to be reached by June of this year, with associated gold. The operation is currently running at an annual rate of 18,000 tonnes of copper and 47,000 ounces of gold.

BIDS AND DEALS

Burma backs Gasco's St Piran bid

Gasco Investments yesterday increased its bid for Saint Piran, the controversial mining and property group, and won the support of Burma Mines, the counter bidder. This brings its holding up to 62.00 per cent and the bid has become unconditional.

Gasco, the master company of Mr. Jim Raper a former chairman of Saint Piran who has been severely criticised by Department of Trade inspectors and the Takeover Panel, is lifting its offer from 50p to 60p per share—equal to the proposed offer from Burma.

However, Gasco remains in breach of the Takeover Panel rules. Last April the Panel ruled that the company had acted together with three foreign-based companies in building up shareholdings totalling 37 per cent in Saint Piran and ordered Gasco to mount a full bid at 85p

Gasco has already claimed over 50 per cent of the Saint Piran shares which were suspended at 65p in May 1980.

Burma said yesterday that as Gasco had already received acceptances sufficient to raise its total holding in Saint Piran above 50 per cent it did not intend to proceed with its offer for Saint Piran provided Gasco's improved offer became unconditional.

If this happens Burma and other clients of Gittings and Co., stockbrokers, holding in aggregate 12.04 per cent of the Saint Piran shares have agreed to accept the Gasco offer and advise other shareholders to do likewise.

Gasco announced that it would not be proceeding with its planned offer for Burma Mines.

A full Department of Trade inspectors report into Saint Piran earlier this month recommended that the company should be wound up. This was rejected by Mr. John Biffen, the Trade Secretary, who preferred to leave it up to shareholders themselves to bring such an action in the courts if they wish.

The Office of Fair Trading is expected to make a recommendation to the Trade Secretary within the next week or so on whether or not the bid by Gasco should be referred to the Monopolies and Mergers Commission.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—B.A.T. Industries, J. A. Devenish.

Finals:—Blue Circle Industries, Border Breweries (Wrexham), A. F. Bulgin, Fosco Minsep, T. C. Harrison, House of Fraser, Jessel Toynbee, Marshall's Universal, Office and Electronic Machine, Shiloh Spinners, Thomson T-Line Caravans, Whatman Reeve Angel.

FUTURE DATES

Interims:—	
Northern American Trust	May 19
Wemyss Investment	May 7
Finals:—	
Boots	May 21
Heal and Son	May 6
Mothercare	May 5
Pritchard Services	Apr. 30
Scottish Heritable Trust	Apr. 30

Bunzl expands in U.S. with £3.5m paper products group purchase

Bunzl Pulp and Paper is paying $7.75m (£3.5m) for the Jersey Paper Company Inc., (JPC) a leading distributor of disposable paper and plastic products in the north eastern United States.

Mr. E. G. Beaumont, Bunzl's chairman, said yesterday that JPC will provide the base for the development of a substantial paper distribution business in the U.S. Bunzl already has a sizeable pulp and paper merchanting operation in New York and JPC, which is based in South Brunswick, New Jersey, will fit in well with Bunzl's traditional experience and knowledge of paper merchanting.

Jersey Paper distributes disposable paper and plastic products for food retailing, institutional and industrial use. Its turnover last year totalled nearly $55m (£25m) and it made pre-tax profits of $1½m (£0.7m). Bunzl is paying a sizeable premium over JPC's net asset value of $5.4m (£2.5m).

The company employs 130 people and serves a market within a 100 mile radius of its distribution depot, midway between Philadelphia and New York. The joint owners of JPC, Mr. Joseph Tabak, president, and Mr. Harold Kaplan, executive vice-president, will continue to manage the company.

The acquisition of JPC is the first visible sign of Bunzl's new management approach, which is outlined in the 1980 annual report.

Last June Mr. Beaumont took over as chairman from Mr. G. G. Bunzl, who had held the job for 20 years, and at the beginning of April, Mr. James White, who had been recruited from Lex Service Group, took over as sole managing director.

The structure of the group has been streamlined and three operating divisions, headed by a main board director, have been created. They are: Filtrona, comprising the world-wide cigarette filter operations; Merchanting, comprising pulp and paper trading; and Industrial, covering the UK and Irish manufacturing operations.

The group's long term strategy is to seek profitable growth internally and by acquisition and a significant and balanced presence in a limited number of markets, with half or more of its profits generated outside the UK.

New opportunities are being sought overseas, particularly in the U.S., Germany and Australia.

Aside from the change in the senior management structure Bunzl's operations have altered significantly following the sale of its Austrian subsidiary Bunzl & Biach, last year. This transformed the balance sheet and resulted in net cash of £4.6m.

Trident set to cut stakes in TV companies

Trident Television will probably reduce its holdings in Yorkshire Television and Tyne Tees Television in future and the two companies might well be floated off as public companies within the next few years. Mr. Ward Thomas, chairman of Trident, said yesterday that the group's holdings of 25 per cent in Tyne Tees and 15 per cent in Yorkshire would be further reduced if and when quotations were obtained.

Speaking at the company's annual meeting in London, Mr. Thomas told shareholders the placing of shares in the two television companies would result in a greatly improved balance sheet for Trident. He added, however, that revenue at Yorkshire would decline by as much as 20 per cent in 1982.

The initial balance sheet injection for Trident could be around 60 per cent of the £12.6m capitalisation price of Yorkshire and the same percentage of Tyne Tees, to be capitalised at £5m.

Hield Bros. recommends £1.75m bid

Hield Brothers, the worsted cloth manufacturing group in which Stroud Riley Drummond has a 27.4 per cent stake, is recommending a bid from a private Isle of Man investment company which places a value on Hield of £1.75m.

Gamma Beta Investments is offering 104p cash for each ordinary share and 55p cash for each preference. Gamma Beta is associated with the Chamsi Bacha family.

Members of the Chamsi Bacha family owning 9.24 per cent of the votes of Hield intend to accept the offer. The directors of Hield, advised by Charterhouse Japhet, will be accepting the offer in respect of 1.2 per cent of the company's votes and recommend that other shareholders also accept.

Mr. Richard Stroud, the chairman of Stroud Riley, said yesterday that the board had not yet met to discuss the bid. This they would probably do at a board meeting in about two weeks' time. Mr. Stroud said that the group was "sitting on a tidy profit" at the Gamma bid price.

British Sugar employees oppose takeover bid

EMPLOYEES OF the British Sugar Corporation yesterday said they were fundamentally opposed to the takeover bid from the commodity trading group S and W Berisford.

Leaders of employee groups in British Sugar met in London and passed a resolution calling on the board to fight the bid with all available resources.

Mr. G. A. Twinn, chairman of the works councils, claimed British Sugar was an efficiently run company with very good industrial relations.

"What do a group of dealers know about manufacturing and advanced engineering technology," he asked.

Meanwhile, it was revealed in a written parliamentary answer that Berisford has pledged not to boost British Sugar sales over its present EEC quota of 1.144m tonnes.

Any increase one year would have to be matched by a reduction the following year. This is one of the undertakings demanded by the Office of Fair Trading before the Monopolies Commission would permit the takeover bid to go ahead.

CHARLES HURST/ HENRY CAMPBELL

The boards of Charles Hurst and Henry Campbell Group have agreed terms for Hurst to purchase from Campbell the whole of the ordinary capital of W. H. Alexander. Campbell is a member of the Hanson Trust Group.

Alexander is a distributor for BL cars, Leyland vehicles, Land Rover and Unipart. Consideration for the purchase is approximately £200,000 cash, subject to a small balancing charge payable in six weeks dependent on the results of an audit.

Book value of net assets of Alexander are about £400,000, which excludes the freehold properties that are in the ownership of Campbell. In the year to September, 1980, Alexander incurred a net loss of £158,000 after group interest charges of £316,000.

APPOINTMENTS

ICI senior American post

ICI main Board director, Dr. N. B. Smith, is to become territorial director for the Americas based in New York. He succeeds Mr. R. Haslam, an ICI deputy chairman, who is returning to the UK at the end of September after two years in the U.S. Mr. Haslam will continue as chairman of the company's territorial policy group for the Americas.

★

Mr. Bryan Green, chief architect, has been appointed managing director of A. EPSTEIN AND SONS (UK). Mr. Green succeeds Mr. Fred H. Markus who is taking on the responsibilities of vice president, international operations for the Chicago-based parent company, A. Epstein and Sons International, Inc. For the time being Mr. Markus will continue his residence in London and divide his time between the London, Paris and Tel Aviv offices.

★

Works manager Mr. Julian Wernick has been appointed a director of S. WERNICK AND SONS.

★

Mr. John Lawhon has been appointed general manager of HEERY ASSOCIATES (UK). He succeeds Mr. David Potter who, on completing his period of secondment, will return to the Y. J. Lovell Group.

★

Mr. Derek Watson retires as a director of AGRIPRESS PUBLICITY on April 30 to devote more time to writing and journalism. He remains a consultant. Mr. Ray Grater becomes chairman and joint managing director and Max Reader becomes joint managing director.

★

Mr. Alan J. Kerry, a director of PROVINCIAL BUILDING SOCIETY, has been elected a deputy chairman. Mr. Kerry is a partner in Ford and Warren of Park Square, Leeds.

★

The Home Secretary has appointed Miss Diana Rookledge as a part-time member of the EQUAL OPPORTUNITIES COMMISSION for two years.

★

Major A. M. Everett has retired as senior partner of stockbrokers LAURIE, MILBANK AND CO, and is succeeded by Mr. P. R. Stevens. Mr. M. P. Woolf, Mr. D. J. N. Nabarro, Mr. P. M. G. Stopford-Adams and Mr. K. S. Perrett have joined the partnership.

★

Mr. Darryl Reach has been appointed managing director of book publishers and distributors, PATRICK STEPHENS, Cambridge. Mr. Patrick Stephens remains chairman, and Mr. Ian Heath has been appointed to the board.

★

WILLIAMS AND JAMES (ENGINEERS) has appointed Mr. Gordon E. Thompson as managing director and Mr. Frederick E. Hulbert as deputy managing director. Mr. F. John Briggs joins the board as a non-executive director.

★

At the LEICESTER BUILDING SOCIETY Mr. Roy Kemp, vice chairman, is to retire (on December 31) after more than 25 years' service as a director. His successor as vice-chairman will be Mr. Simon Everard.

★

Mr. Michael Shell has joined APV CARLSON, Ashton-under-Lyne, as financial director and company secretary. He was previously group accountant for the North Western Trailer Company.

★

Former diplomat Sir John Henry Lambert has been appointed director of the HERITAGE OF LONDON TRUST.

★

Mr. Paul A. C. Seymour has been appointed director new developments and international, at ABBEY LIFE ASSURANCE COMPANY. He will be a member of Abbey's senior management committee, and will be responsible for Abbey Life's international, Irish and mass-marketing operations, as well as other new developments.

★

Mr. Andrew McQuater and Mr. Nicholas Jefferies have been appointed to the boards of WHOLESALE VEHICLE FINANCE and its subsidiary WVF Commercial. Mr. McQuater is general manager of wholesale vehicle finance and group treasurer. Mr. Jefferies is general manager of WVF Commercial and group credit manager.

UK COMPANY NEWS

Bodycote £1m lower but pays same

PRE-TAX PROFITS of Bodycote International fell from £2.14m to £1.1m during 1980, but the final dividend is held at 2p for an unchanged total of 4p. Turnover was considerably lower at £28.04m compared with £35.38m.

Mr. J. C. Dwek, the chairman of this holding company which manufactures industrial clothing and safety products, and has interests in textiles and engineering, says the strategy for 1981 is to consolidate and strengthen the companies within the group until the economic climate improves.

At the same time, he adds, the board will continue to look for sound opportunities to develop the group. The current year should possibly show an improvement in its performance, and this will probably come in the third and fourth quarters.

He says there were three special factors—additional to the overall effect of the recession—which resulted in lower profits. Firstly, the continuation of losses at William Denby; secondly, the strength of sterling relative to the guilder and, thirdly, the effect of the closure of a number of vulnerable businesses without, as yet, the receipt of a full return on the acquisitions to replace them.

After adjusting for these factors, he says group profits had fallen by some 25 per cent from the 1979 level on a strictly comparable basis.

The pre-tax figure was struck after interest charges and administration costs amounting to £890,000 (£1.12m). There was a nil (£406,000) contribution from companies which ceased trading.

After tax down from £467,000 to £373,000 and minorities of £7,000 (£11,000), attributable profits fell from £1.66m to £701,000 before extraordinary items. Earnings per 25p share fell from 21.03p to 8.88p.

Extraordinary items—terminal losses resulting from rationalisation and cessation of trading—amounted to £736,000 (£405,000). Provisions required for future rationalisation, losses on cessation of trading and disposal of machinery accounted for £612,000 (nil). Extraordinary profit on disposal of subsidiaries, land and buildings was £5,000 (£434,000). A provision of £1.14m (nil) has been made for deferred tax, leaving an attributable loss after extraordinary items of £1.78m (profit £1.69m).

On a CCA basis, pre-tax profits were £503,000.

● comment

Bodycote has never made any secret of the fact that it is a professional, as opposed to proprietorial, management company and with the possible exception of Denby has been quick to shed even to the previously core businesses in which it sees little long term future. Its decisions in industrial and general textiles, painful though they may appear and exacerbated though they have been in a year of deep recession, nevertheless leave scope for cash generation and reinvestment. The group believes that it can pull perhaps £1m out of the unwanted textile subsidiaries and, in any case, gearing has only risen from 37.4 per cent to 41 per cent. Overdrafts have not been afflicted by any rise in working capital and its recent redeployment seems to be pulling more than its weight. The group is effectively left with two divisions, whose profits, on a strictly comparable basis, are down by a quarter. In both areas, competition has been falling away, particularly in Dutch protective clothing, and the growing metal finishing sector is supplying about a quarter of its output to most, if not all, of the current main civil and military aerospace projects. For the meantime, some 50 per cent of its capital is still related to textiles and the shares, on a long view, are tied into the prospects for successful reinvestment. Over the short term, net assets of 120p per share offer some support as does the yield of 8.5 per cent on an unchanged dividend.

Sunlight Service grows

Taxable profits of the Sunlight Service Group for 1980 improved by £253,153 to £1.56m on turnover up from £17.28m to £23.58m. At mid-year pre-tax profits of this laundries and dry-cleaning concern were ahead at £534,424, compared with £459,901.

The total dividend is being stepped up from 1.9p to 2.5p net with a final of 1.95p.

At the attributable level profits came through at £660,865 (£507,483) after extraordinary items of £82,376 (£197,605). Tax took £351,122 (£316,836).

Stated earnings per 10p share rose to 12.21p (9.99p).

On a CCA basis the pre-tax figure is reduced to £1.26m.

Marlborough Property advances

After interest charges up from £463,000 to £688,000, pre-tax profits of Marlborough Property Holdings increased to £159,000 in 1980, compared with £111,000 the year before.

Attributable surplus rose £39,000 to £128,000 after tax of £47,000 (£28,000) and extraordinary items, giving stated earnings of 0.65p (0.52p) per 5p share.

The single dividend is stepped up from 0.3p to 0.325p net.

Turnover was slightly lower at £2.36m (£2.39m) and the taxable profit is reduced to £119,000 on a CCA basis.

Silentnight's second half rally

DESPITE difficult trading conditions, second-half pre-tax profits of Silentnight Holdings rose from £2.12m to £2.33m. At the interim stage the group, manufacturer of beds, upholstery and furniture, reported profits down from £1.86m to £711,000.

Figures for the 52 weeks to January 31, 1981, were down from £3.97m in the previous 53 weeks to £3.04m. Turnover was £1.48m higher at £65.93m.

The final dividend is raised from 2.03p to 2.5p, for a total of 3.5p (3p). Mr. T. Clarke, the chairman, says this increase is an indication of the Board's confidence in the future. He says the company has made a satisfactory start to the current year and he fully expects trading results for the first half of 1981 to be a distinct improvement on 1980.

After tax down from £998,000 to £829,000 and an extraordinary item of £1.32m (nil), retained profits were drastically lower at £102,000 compared with £2.3m. The extraordinary item was the cost of disposing of the furniture companies at Wigan, Bolton, Strood and Newhaven.

There was no second-half contribution from the companies which were sold or closed down during 1980.

Mr. Clarke says that despite the extraordinary item, the balance-sheet remains strong. Net tangible assets are worth 68.4p per 10p share, and total borrowings, including bank overdraft, represents only 10.1 per cent of shareholders' funds.

Stated earnings per share are down from 13.2p to 9.8p.

Pre-tax profits on a CCA basis are £2.1m (£2.72m).

M. F. North down £200,000 at year end

In the second six months of 1980, taxable profits of M. F. North, hotel proprietor, showed a sharp improvement over the first half, but the company ended the year some £200,000 lower at £454,761. Midway profits had slumped from £152,500 to £16,400.

Turnover for the year rose from £3.95m to £4.17m and profits were struck after lower interest charges of £35,502 (£118,588). On a current cost basis, 1980 taxable profits were £311,761.

After tax of £116,418 (£134,541) historic earnings per 10p share came out at 1.27p, against 2.07p previously. The year's dividend is held at 0.8p net with a same-again final of 0.675p.

Retained balance at the year-end was down from £318,640 to £105,343.

Leadenhall Sterling falls but pays more

As expected, 1980 profits of Leadenhall Sterling showed a reduction over the previous 12 months. Following the midway drop from £492,000 to £460,000, pre-tax profits fell further behind to finish the year at £727,000, compared with £985,000. Turnover, however, rose slightly from £10.88m to £11.15m.

The dividend for the year is being raised from 3.125p to 3.5p net, with a final of 2.125p (1.875p). Earnings per 25p share were up from 9.6p to 11.3p reflecting a lower tax charge of £226,000 (£553,000) and exceptional tax credits of £578,000 (£203,000).

On a current cost basis, 1980 profits before tax were £325,000.

Scottish Northern increases

FOR THE year to March 31, 1981, revenue of Scottish Northern Investment Trust climbed from £2,472,526 to £2,820,120, struck before tax of £956,983, against £774,980.

Earnings per 25p share rose from 3.15p to 3.46p and the dividend total is stepped up to 3.45p (3.14p) net with a final of 2.25p.

Net asset value per share increased from 101.4p to 140.12p at the year end.

NORTH SEA ASSETS

Revenue before tax of North Sea Assets, an unquoted company with interests in offshore and onshore drilling and construction, more than doubled from £203,000 to £440,000 for the half-year to the end of March 1981.

Tax took £217,000 (£94,000). Earnings per 50p share increased from 0.91p to 1.85p and net asset value per share was up from 127.64p to 195.11p.

VIKING RESOURCES

Gross income of Viking Resources Trust increased from £773,800 to £881,494 for the year to the end of March, 1981.

Interest and expenses took £394,578 (£310,567) and the tax charge was £165,479 (£139,441), leaving attributable profits of £321,437 (£323,792).

Earnings per 25p share were reduced to 0.8p (1.05 adjusted) and a final dividend of 0.4p, makes a net total of 0.8p (1.45p after special payment and adjustment for scrip issue).

PENTLAND INDS.

Profits of Pentland Industries for 1980 after tax of £302,000 (£247,000), emerged at £933,000, compared with £783,000. Owing to an agency error, the tax charge in yesterday's editions was incorrectly given as £933,000 (£783,000).

SPIRAX RIGHTS 95% ACCEPTED

Acceptances have been received in respect of 95.1 per cent of the new shares of Spriax-Sarco Engineering offered in a one-for-four rights issue at 145p each last month to raise £10.5m.

SUTER ELECT.

Suter Electrical's ordinary share and loan stock rights issue has been accepted in respect of 9.65m shares and £3.85m stock. Owing to an agency error, loan stock acceptances were previously reported as £3.58m.

MURRAY WESTERN

Yesterday's report regarding a cash distribution to Murray Western B ordinary shareholders was incomplete.

The full statement is as follows: Cash distribution to B ordinary shareholders on May 22. The maximum distribution will be 78p. Fractions representing less than 641-1000ths of a share will not be distributed.

The last sentence was omitted yesterday.

ASHDOWN TRUST

Arising from the compulsory conversion notice sent to holders of the 4¾ per cent convertible unsecured loan stock 1988-93, holders of £1,978 stock in Ashdown Investment Trust have been repaid at par.

The remaining £181,516 stock has been compulsorily converted at March 31, 1981, and 127,061 ordinary shares are to be issued.

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Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar mixed

Dollar showed little movement ahead of President Reagan's speech to a joint session of Congress and publication of the March U.S. trade figures, which were expected to record an improvement on the February deficit. Firmer Eurodollar interest rates gave support to the U.S. currency, while the upward trend was underlined by the rise to 17½ per cent from 16½ per cent in Marine Midland Bank broker loan rate.

Sterling continued its recent decline, losing ground against the dollar and major currencies in general.

European currencies lost ground to the dollar, with the Belgian franc becoming the weakest member of the European Monetary System once again, replacing the Irish punt. The D-mark remained the strongest currency ahead of the Italian lira.

DOLLAR — trade-weighted index (Bank of England) rose to 102.6 from 102.2. The U.S. currency made early gains, but weakened in late trading, before recovering on the news from Marine Midland. It rose to DM 2.1850 from DM 2.1800 against the D-mark, after touching a low of DM 2.1830. The dollar also rose slightly to Y213.25 from Y212 against the yen; but eased to SwFr 1.9875 from SwFr 1.9895 in terms of the Swiss franc.

STERLING — trade-weighted index (Bank of England) fell to 98.7 from 98.9, after opening at 98.7 and remaining at that level at noon. The pound opened at $2.1560-2.1570, and touched a peak of $2.1570-2.1580, but weakened to $2.1500-2.1510, where market sources suggested there may have been intervention by the Bank of England. Sterling improved towards the close, to finish at $2.1565-2.1575, a fall of 70 points on the day.

DEUTSCHE MARK—Strongest members of the European Monetary System and maintaining its position despite a weaker tendency in German interest rates over the past few weeks. This has caused the Deutsche Mark to lose ground against the dollar, however, while U.S. rates continue to firm. Tension over Poland has eased for the time being—Interest rates remained the major factor influencing foreign exchange movements. The dollar rose to DM 2.1860 from DM 2.1753 at the fixing, reflecting higher Eurodollar interest rates. The U.S. currency opened firm at DM 2.1855, but showed little further improvement as a result of the sudden increase in German domestic interest rates, with Frankfurt call money rising to 12 per cent from DM 2.1753 at the fixing, reflecting higher Eurodollar interest rates. The U.S. currency opened firm at DM 2.1855, but showed little further improvement as a result of the sudden increase in German domestic interest rates, with Frankfurt call money rising to 12 per cent from 8 per cent on Monday. Sterling fell to DM 4.71 from DM 4.7160 at the fixing, while the Swiss franc rose to DM 1.0988 from DM 1.0972. Within the EMS the French franc improved to DM 42.21 per 100 francs from DM 42.1950, and the Irish punt to DM 3.6610 from DM 3.6530.

FRENCH FRANC—Showing a weaker trend despite the steadiness of Paris interest rates. The Presidential Elections have created nervous conditions, with the franc tending to lose ground on fears of a move to the left in French politics and the possible election of a Socialist President—The franc recorded mixed changes at the Paris fixing, following the French currency's weakness on Monday as a result of the first round of the Presidential elections. The franc improved against Deutsche Mark and most other EMS currencies, but lost ground to the dollar, which was fixed at FFr 5.1520, compared with FFr 5.1570 on Monday.

THE POUND SPOT AND FORWARD

April 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1500-2.1580	2.1565-2.1575	0.75-0.85c dis	−4.45	2.39-2.45dis	−4.45
Canada	2.5710-2.5780	2.5767-2.5777	1.05-1.15c dis	−5.12	3.16-3.35dis	−5.04
Nethlnd.	5.23-5.26	5.24½-5.25½	½c pm-½ dis	—	1¾-½ pm	1.16
Belgium	76.65-76.95	76.80-76.90	45-55c dis	−7.81	100-115 dis	−3.26
Denmark	14.82½-14.88	14.87-14.88	par-1¼ore dis	−1.77	7½-9½ dis	−2.29
Ireland	1.2850-1.2910	1.2850-1.2870	0.26-0.38p dis	−2.99	0.89-1.04dis	−3.00
W. Ger.	4.70½-4.71½	4.70¾-4.71¾	½pf pm-½ dis	0.32	¼ pm-¼ dis	—
Portugal	125.85-126.75	126.35-126.70	par-75c dis	−3.56	3-210 dis	−3.37
Spain	190.55-191.00	190.80-191.00	20-105c dis	−3.93	270-300 dis	−5.97
Italy	2,347-2,361	2,348-2,351	11-13 lire dis	−6.13	39¾-42¾ dis	−7.02
Norway	11.85-11.92½	11.87-11.88	½ore pm-⅞ dis	—	2¼-½ pm	0.46
France	11.15-11.18¾	11.16¾-11.16¾	¼-1¼c dis	−0.81	3-4 dis	−1.25
Sweden	10.18-10.24	10.19-10.23	N/A	—	N/A	—
Japan	457-461	459½-460½	2.20-1.90y pm	5.35	5.40-5.10 pm	4.57
Austria	33.25-33.45	33.38-33.43	3gro pm-2 dis	0.18	1 pm-9 dis	−0.48
Switz.	4.28-4.31	4.28-4.29	⅝-⅛c pm	1.05	2¼-1¾ pm	1.87

THE DOLLAR SPOT AND FORWARD

April 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1500-2.1580	2.1565-2.1575	0.75-0.85c dis	−4.45	2.35-2.45dis	−4.45
Ireland†	1.6707-1.6785	1.6765-1.6785	0.15-0.25c dis	−1.43	0.55-0.65	−1.43
Canada	1.1935-1.1952	1.1948-1.1952	0.06-0.11c dis	−0.85	0.33-0.38	−1.19
Nethlnd.	2.4275-2.4360	2.4342-2.4352	1.02-0.92c pm	4.79	3.28-3.18 pm	5.32
Belgium	35.59-35.68	35.62-35.64	8-12c dis	−3.37	11-16 dis	−1.52
Denmark	6.8790-6.9015	6.8960-6.8975	2.00-1.50ore pm	3.05	3.85-3.35 pm	2.09
W. Ger.	2.1830-2.1925	2.1845-2.1855	0.88-0.83pf pm	4.89	2.48-2.42 pm	4.48
Portugal	58.55-58.80	58.60-58.70	20c pm-10 dis	1.02	50 pm-25 dis	0.85
Spain	88.40-88.55	88.50-88.55	5-15c dis	−1.35	15-35 dis	−1.13
Italy	1,089-1,092	1,090-1,091	1.10-1.60 lire dis	−1.49	6.50-7.50dis	−2.57
Norway	5.6100-5.6275	5.6100-5.5110	2.50-2.00ore pm	4.88	6.75-6.25 pm	4.71
France	5.1740-5.1860	5.1740-5.1760	1.63-1.53c pm	3.66	4.15-3.95 pm	3.13
Sweden	4.7100-4.7500	4.7300-4.7350	N/A	—	N/A	—
Japan	212.30-213.40	213.20-213.30	1.85-1.70y pm	9.99	4.90-4.75 pm	9.05
Austria	15.43-15.50	15.48½-15.49	5.60-4.30gro pm	3.85	19.00-15.50pm	4.47
Switz.	1.9865-1.9960	1.9870-1.9880	1.10-1.00c pm	6.34	3.39-3.29 pm	6.72

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

April 28	Bank of England Index	Morgan Guaranty Changes%
Sterling	98.7	N/A
U.S. dollar	102.6	"
Canadian dollar	86.2	"
Austrian schilling	114.9	"
Belgian franc	107.8	"
Danish kroner	88.2	"
Deutsche mark	119.7	"
Swiss franc	133.6	"
Guilder	110.9	"
French franc	85.6	"
Lira	58.9	"
Yen	145.0	"

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 27	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.557956	0.537441
U.S. $	13	1.20937	1.16652
Canadian $	17.40	1.44326	1.39107
Austria Sch.	6¾	18.6086	17.9323
Belgium F.	16	42.8404	41.3063
Danish K.	11	8.28660	7.98772
D mark	7½	2.63074	2.53601
Guilder	9	2.92486	2.82075
French Fr.	9½	6.23672	6.01397
Lira	19	1312.47	1265.67
Yen	6¼	259.168	246.718
Norwgn. Kr.	9	6.66000	6.41525
Spanish Pts.	8	106.606	102.828
Swedish Kr.	12	5.70968	5.51027
Swiss Fr.	4	(U)	2.31028
Greek Dr'ch.	20½	—	62.0462

OTHER CURRENCIES

April 28	£	$		£ Note Rates
Argentina Peso	6745-6765	3130-3140	Austria	33.20-33.55
Australia Dollar	1.8685-1.8705	0.8663-0.8666	Belgium	78.90-79.70
Brazil Cruzeiro	174.37-175.37	80.95-81.35	Denmark	14.75-14.90
Finland Markka	8.98½-9.00½	4.1850-4.1860	France	11.12-11.22
Greek Drachma	113.164-116.028	53.20-53.40	Germany	4.70-4.74½
Hong Kong Dollar	11.53-11.55	5.3570-5.3600	Italy	2320-2370
Iran Rial	165.40*	76.30*	Japan	457-463
Kuwait Dinar(KD)	0.591-0.597	0.27555-0.27575	Netherlands	5.21-5.26
Luxembourg Frc.	76.80-76.90	35.62-35.64	Norway	11.90-12.02
Malaysia Dollar	4.96¼-4.97¼	2.3065-2.3085	Portugal	123-130
New Zealand Dlr	2.3910-2.3930	1.1086-1.1099	Spain	185¾-197
Saudi Arab. Riyal	7.21-7.27	3.3600-3.3620	Sweden	10.22-10.32
Singapore Dollar	4.54¼-4.55¼	2.1135-2.1155	Switzerland	4.28-4.32
Sth African Rand	1.7510-1.7540	0.8123-0.8137	United States	2.14½-2.16½
U.A.E. Dirham	7.88-7.94	3.6720-3.6740	Yugoslavia	77½-80

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.3391	+1.33	+1.33	±1.5361
Danish Krone	7.91917	7.98212	+0.79	+0.79	±1.6413
German D-Mark	2.54502	2.53592	−0.36	−0.36	±1.1385
French Franc	5.99526	6.00600	+0.18	+0.18	±1.3638
Dutch Guilder	2.81318	2.82104	+0.28	+0.28	±1.5159
Irish Punt	0.685145	0.692775	+1.11	+1.11	±1.6688
Italian Lira	1262.92	1264.02	+0.09	+0.09	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 28	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.157	4.715	460.0	11.16	4.285	5.250	2350.	2.577	76.65
U.S. Dollar	0.464	1.	2.185	213.3	5.175	1.987	2.434	1089.	1.195	35.53
Deutschemark	0.212	0.458	1.	97.61	2.369	0.909	1.114	498.6	0.547	16.31
Japanese Yen 1,000	2.174	4.689	10.24	1000.	24.27	9.315	11.41	5108.	5.603	167.1
French Franc 10	0.896	1.932	4.222	412.1	10.	3.839	4.703	2105.	2.309	68.85
Swiss Franc	0.233	0.505	1.100	107.4	2.605	1.	1.225	548.3	0.601	17.93
Dutch Guilder	0.190	0.411	0.898	87.62	2.126	0.816	1.	447.5	0.491	14.64
Italian Lira 1,000	0.426	0.918	2.006	195.8	4.751	1.824	2.235	1000.	1.097	32.71
Canadian Dollar	0.388	0.837	1.829	178.5	4.331	1.663	2.037	911.6	1.	29.82
Belgian Franc 100	1.301	2.807	6.132	598.6	14.53	5.576	6.831	3057.	3.354	100.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 28)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 3/4	offer 16 7/8	bid 16 1/2	offer 16 5/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

April 28	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12¼-12½	16⅛-16⅝	16½-17½	9⅞-10 1/16	5¼-5¾	10¼-10½	12⅛-12⅜	17-18½	18-20	7-7½
7 days' notice	12¼-12½	16-16¼	16½-17½	9⅞-10 1/16	18-20	11¾-11⅞	11¾-12⅜	17½-18¾	20-22	6⅝-6⅞
Month	12 1/16-12 3/16	16⅞-17⅛	17¼-17⅝	10 3/16-10 5/16	10¼-10⅜	12 1/16-12 3/16	13⅛-13⅜	18-19	20-21	6 11/16-6 15/16
Three months	12 1/16-12 3/16	16¾-17	17¼-17⅝	10 5/16-11 1/16	9 11/16-10 1/16	12¼-12⅜	13⅛-13⅜	19-19¾	17¾-18¾	7⅜-7⅝
Six months	12⅜-12½	16½-16¾	17-17⅜	11-11⅛	9 5/16-9 9/16	12¼-12⅜	13 9/16-13 13/16	19½-20¼	16¾-17¾	7⅜-7⅝
One Year	12 1/16-12 3/16	15⅞-16⅛	15⅞-16¼	11¾-12	9-9⅛	11 15/16-12 1/16	13 9/16-13 13/16	19⅜-20⅛	15½-16½	7¾-8

SDR linked deposits: one-month 13½-13⅞ per cent; three-months 13¾-14 per cent; six-months 13½-13⅞ per cent; one-year 13 9/16-13 9/16 per cent.

ECU linked deposits: one-month 13 5/16-13 7/16 per cent; three-months 13 9/16-13 11/16 per cent; six-months 13 7/16-13 9/16 per cent; one-year 12 15/16-13 5/16 per cent.

Asian $ (closing rates in Singapore): one-month 16 15/16-17 3/16 per cent; three-months 16¾-16⅞ per cent; six-months 16 7/16-16 9/16 per cent; one-year 15 11/16-15 15/16 per cent. Long-term Eurodollar two-years 15⅜-15⅝ per cent; three-years 15⅜-15⅝ per cent; four-years 15⅜-15⅝ per cent; five-years 15⅜-15⅝ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.75-15.85 per cent; three-months 15.20-15.30 per cent; six-months 15.25-15.35 per cent; one-year 15.20-15.80 per cent.

INTERNATIONAL MONEY MARKET

Frankfurt rates firm

Short-term money rates rose sharply in Frankfurt yesterday following renewed moves by the Bundesbank to mop up excess liquidity. The authorities arranged further short-term currency swaps and call money rose as a result to 11-12 per cent from 9.50-9.75 per cent on Monday. The intervention was short-term, maturing on April 30 at a rate of 11 per cent and the drain on liquidity soon prompted demand for short-term credit from some banks. Period rates were slightly firmer. Three-month money rose to 12.95-13.05 per cent from 12.90-13.00 per cent and the 12-month rate was higher at 12.35-12.45 per cent compared with 12.15-12.35 per cent on Monday.

In Amsterdam interest rates were firmer. Call money rose to 9.875-10.125 per cent from 9.75-10 per cent and one-month money was higher at 10.375-10.625 per cent compared with 10.125-10.25 per cent. The three-month rate rose to 10.625-10.875 per cent from 10.375-10.625 per cent and six-month money firmed to 10.75-11 per cent from 10.5-10.75 per cent.

In Paris call money remained at 12¼ per cent, a rate held since April 2 and reflecting continued determination by the Bank of France to maintain stability both in short-term interest rates and in the performance of the franc while the French Presidential elections continue.

UK MONEY MARKET

Very large assistance

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

Day to day credit was in short supply in the London money market yesterday and the authorities gave assistance on a very large scale. This comprised moderate purchases of Treasury bills and a small amount of local authority bills and a moderate amount of eligible bank bills. The market was faced with a small excess of revenue transfers to the Exchequer over Government disbursements and a small number of bank bills maturing in official hands. In addition banks brought forward balances a small way below target.

Discount houses were paying up to 12 per cent for secured call loans at the start with later balances taken as low as 11 per cent.

In the interbank market, overnight loans opened at 12¼-12½ per cent and rose to a peak of 12¾-12½ per cent before coming back to close around 10 per cent.

GOLD

Slight fall

Gold fell $1 to close at $481-484 in the London bullion market yesterday. The metal opened at $482-485, and was fixed at $484.25 in the morning and $482.75 in the afternoon. Trading was in a general range of $481 to $485, and the market was quite active during the afternoon. Selling developed during this period but was well absorbed by the market.

In Paris the 12½ kilo gold bar was fixed at FFr 86,100 per kilo ($516.79 per ounce) in the afternoon, compared with FFr 86,100 ($516.73) in the morning, and FFr 86,000 ($518.69) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,075 per kilo ($485.02 per ounce), against DM 34,130 ($488.02) previously, and closed unchanged at $481-$484.

In Zurich gold fell to $482-485 from $488-491.

	April 28		April 27	
Gold Bullion (fine ounce)				
Close	$481-484	(£223-224½)	$482-485	(£222¾-225)
Opening	$482-485	(£223½-224¾)	$488-491	(£224¾-226)
Morning fixing	$485.25	(£224.533)	$488.75	(£225.250)
Afternoon fixing	$482.75	(£224.118)	$483.00	(£223.045)
Gold Coins				
Krugerrand	$496½-497½	(£230¼-230¾)	$499-500	(£230¾-231¼)
1/2 Krugerrand	$256-257	(£118¾-119¼)	$257-258	(£118¾-119¼)
1/4 Krugerrand	$130½-131½	(£60½-61)	$131-132	(£60½-61)
1/10 Krugerrand	$53½-54½	(£24¾-25¼)	$53½-54½	(£24¾-25¼)
Mapleleaf	$491½-492½	(£228-228½)	$493-494½	(£228-228½)
New Sovereigns	$120¾-121½	(£56-56½)	$121¼-122¼	(£56-56½)
King Sovereigns	$137-139	(£63½-64½)	$139-141	(£63½-64½)
Victoria Sovs.	$137-139	(£63½-64½)	$139-141	(£63½-64½)
French 20s	$181¾-185	(£84¼-85¾)	$181-184	(£83½-85)
50 pesos Mexico	$597-602	(£276¾-279¼)	$607-611	(£280½-282½)
100 Cor. Austria	$465-470	(£215½-218)	$475-480	(£219½-222)
$20 Eagles	$588-593	(£272¾-275)	$590-595	(£272½-275)

MONEY RATES

NEW YORK

Prime Rate	17½
Fed. Fund	16⅞-17⅛
Treasury Bills (13-week)	14.45
Treasury Bills (26-week)	14.16

GERMANY

Special Lombard	12.0
Overnight Rate	11.5
One month	12.30
Three months	13.0
Six months	12.80

FRANCE

Intervention Rate	12.25
Overnight Rate	12.25
One month	12.6875
Three months	13.0625
Six months	13.0625

JAPAN

Discount Rate	6.25
Call (Unconditional)	7.25
Bill Discount (three-month)	7.28125

LONDON MONEY RATES

April 28 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	10-12½	12	—	—	12¼	11-12	—	—	—
2 days notice	—	—	12⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12¼-12⅝	12½	—	12¾	12¾	11¾-11⅞	—	—	—
One month	12 1/16-12 3/16	12⅜-12 7/16	12⅝	13⅝-13	12¾	12¾	11¾	11 15/32-11 7/16	11 27/32	12¾
Two months	12 7/16-12 5/16	12⅜-12 7/16	—	13-12⅝	12¾	12⅝	11⅝	11 13/32-11⅜	11⅜	12⅝
Three months	12¼-12⅛	12⅜-12½	12⅝	12⅞-12½	12¾	12⅝	11⅝	11¼-11 3/16	11½-11⅜	12⅝
Six months	12¼-12⅛	12 7/16-12⅝	12-12⅛	12⅜-12⅛	12⅝	12⅝	—	—	11 7/16-11¼	11⅞
Nine months	12¼-12 1/16	12⅛-12 3/16	—	12⅝-12⅜	12½	12⅝	—	—	—	—
One year	12 1/16-12	12⅛-12 3/16	12⅝	12⅜-12⅛	12½	12⅝	—	—	—	—
Two years	—	—	12¾	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 12¾ per cent; four years 13-13⅛ per cent; five years 13⅛ per cent. фBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅞ per cent; four-months trade bills 12⅝ per cent.

Approximate selling rate for one-month Treasury bills 11 15/32-11 13/32 per cent; two-months 11¼-11 7/32 per cent; three-months 11⅛ per cent. Approximate selling rate for one-month bank bills 11 23/32 per cent; two-months 11 9/16 per cent; three-months 11 7/16-11 15/32 per cent; one-month trade bills 12½ per cent; two-months 12⅜ per cent and three-months 12⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.2444 per cent.

De Beers: strength in resources

Extracts from Mr H F Oppenheimer's Statement on De Beers in 1980

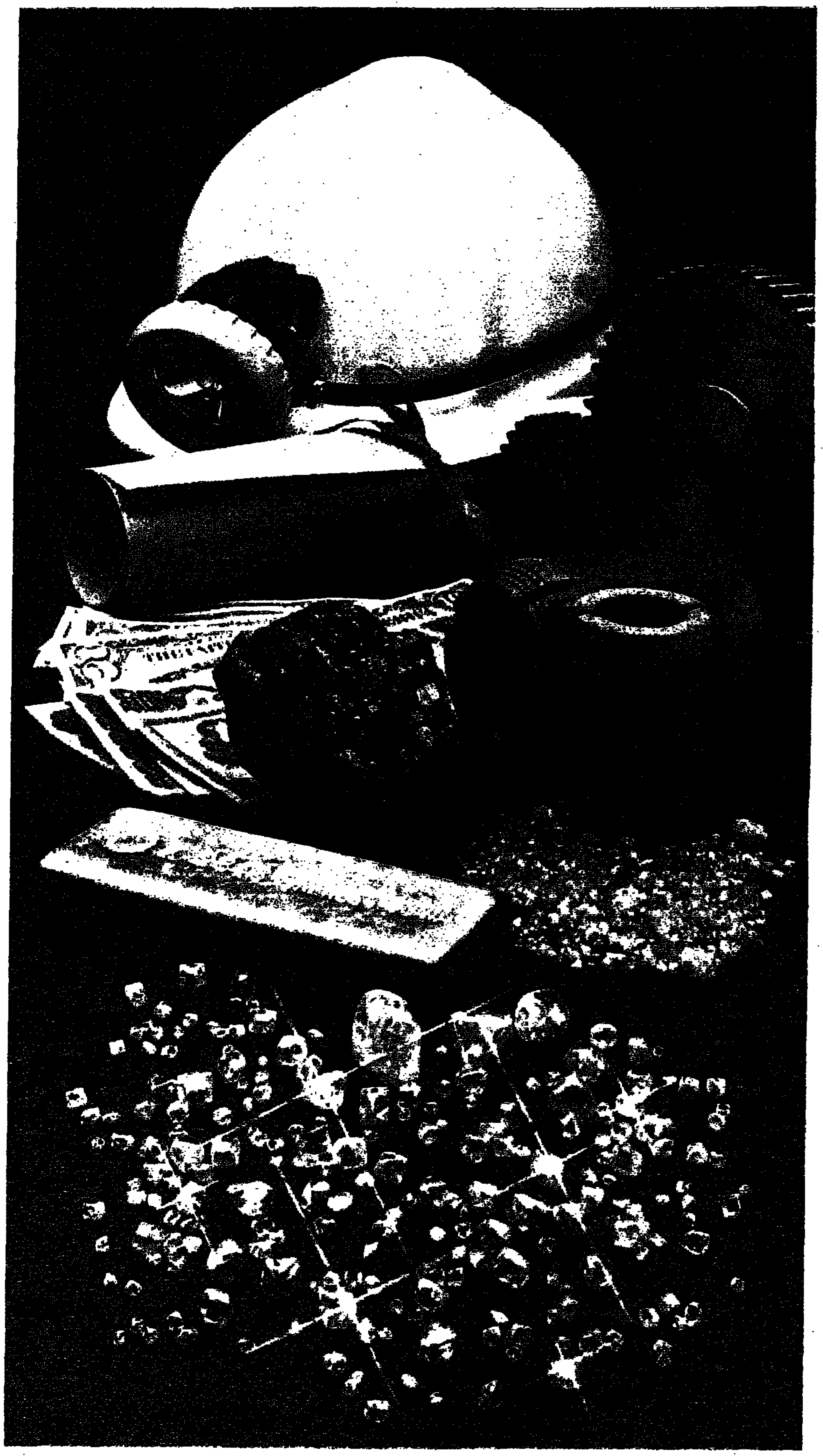
In the middle of 1980 the boom conditions experienced during the late seventies came to an end. In the early part of the year, however, speculation in the larger sizes of diamonds still continued and the premiums above our selling prices which were being realised in these classes of stones in the secondary markets made it necessary for the CSO in February to increase substantially the price of rough diamonds above one carat in weight. The demand for smaller sizes was however already showing signs of falling off and in the second half of the year a weakening of the market generally became apparent. In spite therefore of the February price increase, which amounted to an average overall rise of about 12 per cent, total sales by the CSO measured in US Dollars (the currency of sale) increased by only $125 million, or 5 per cent in 1980, while sales in Rand *actually declined by R50 million to* R2,142 million owing to the 11 per cent appreciation in the value of the Rand against the US Dollar. Since the end of 1980 the market in the cutting centres has further weakened and it has become necessary for the CSO, in accordance with established policy, to reduce its offerings to the market substantially in order to maintain stability.

These difficult conditions are due not so much to any serious decline in the consumer demand for diamonds as to the effects of unjustified speculation over the boom years in the cutting centres. Indeed consumption of diamond jewellery during 1980 was a record and though there was some falling off on account of general recessionary conditions in the second half of the year, the retail sales were better at Christmas than had been expected and are still continuing at a satisfactory level. From early in 1978 onwards, however, speculation in the cutting centres in diamonds at premium prices, financed largely by bank credit, assumed alarming proportions and as long ago as my statement of *March 1978*
I drew attention to the obvious dangers of such a situation when a downturn in the market came about. This is what has now happened and some fall in retail demand from its previous exceptionally high level, coupled with unprecedentedly high interest rates and pressure on diamond dealers by the banks who had financed the speculation in the first place, have combined to undermine confidence in the cutting centres. However, retailers have reduced their stocks and before too long they will have to replenish them in order to meet the continuing consumer demand. This must in due course enable the cutting centres to reduce their stocks of polished diamonds to reasonable proportions though undoubtedly some losses will be incurred in the process. Stocks of rough diamonds in the trade are not excessive but in view of the large stocks of polished diamonds, the CSO as I have mentioned is carrying out its traditional function of reducing the quantity of goods offered to its customers in order to assist the market to recover its balance. In particular the CSO is withholding from sale the larger diamonds of high quality which were the prime medium of speculation and of which significant quantities are now still held by the trade. In the longer run such goods are rare and desirable and we are by no means concerned at stocking them.

Diamond market support

Apart from supporting the market by a very conservative sales policy we are taking steps to improve conditions by stepping up our advertising and promotional campaigns which are now active in 24 countries. Our South African, South West African/Namibian, Botswanan, Tanzanian and Lesothian sales contracts expired at the end of 1980 but agreement has been reached to renew them for a further period of five years. We are thus assured that the long established structure of the trade will be firmly maintained, something which is obviously a matter of special importance when we are as at present going through difficult times.

The industrial diamond market felt the impact of the general economic recession in the second half of the year but has not been affected by special difficulties such as those experienced by the gem market. Sales of industrials both in volume and value were at about the same level as in 1979. The demand for composites has shown a significant growth. SYNDITE, a diamond composite material, was launched some years ago and has been making steady progress. Recently a new composite material, AMBORITE, based on cubic boron nitride and designed for the machining of various ferrous materials, has been launched and has obtained a very favourable reception.



The Group's net attributable profit for 1980 (excluding the attributable undistributed earnings of associated companies which have been included in the accounts for the first time) at R670 million was less by R58 million than in 1979. However, if the undistributed earnings of associated companies are taken into account the profit for the year at R856 million exceeded the corresponding figure for 1979 by R20 million. Investment income, however, at R147 million, was higher by R64 million. Dividends on our deferred shares at 75 cents were higher by 2.5 cents than last year. Net current assets at 31st December 1980, after providing for the dividend, amounted to R403 million, a reduction of R385 million which is accounted for principally by an increase in diamond stocks of R288 million to R698 million and an increase of R373 million in the book value of listed investments arising largely from the purchase of further shares in Consolidated Gold Fields Limited.

Allowing for minority *interests, the total* value of net investments, loan levy at R129 million and net current assets attributable to De Beers at 31st December was R3,536 million or 983 cents per deferred share compared with 833 cents the previous year.

Diamond production by the Group, amounted to 14.7 million carats compared with 14.0 million carats in 1979. A further increase in Group production is expected this year principally *from* Finsch where certain commissioning difficulties experienced in connection with the expansion scheme have now been overcome, and in January the enlarged plant reached its full rated capacity of 5 million tons per annum.

Prospecting was continued on a large scale during the year. In the northern Transvaal we are prospecting, under an agreement with the owners of the mineral rights, a cluster of diamondiferous kimberlites on the farm Venetia. The results so far are encouraging but here again it is too early to assess the possible economic significance of these pipes.

Investments

I drew attention last year to the importance of the investments De Beers has made outside the diamond industry. Our revenue from these shareholdings in 1980 amounted to R147 million compared with R83 million the previous year. The income from these diversified sources is obviously of particular value in times when the diamond market is weak and contributes greatly to the overall stability of the Group. Our most important holding is our 38.4 per cent interest in Anglo American Coporation which again announced excellent interim results and declared a substantially increased interim dividend. The final results for the year are expected to be highly satisfactory.

Recently De Beers co-operated with Anglo American, Charter Consolidated Limited and Minerals and Resources Corporation Limited (Minorco) in a scheme to enlarge Minorco by concentrating in it a major part of De Beers' and Anglo American's non-South African holdings. The effect on De Beers is that in exchange for its holdings in Consolidated Gold Fields and Anglo American Corporation of Canada, it has obtained *new shares in Minorco thus increasing its interest* in the company to 23 per cent.

De Beers and Anglo American have co-operated over some years in the development of Minorco as a substantial independently managed group through which they might conveniently expand their investments on an international basis with special reference at this stage to investment in North America. Minorco as now expanded will be very much better equipped for this purpose.

During the year we have continued our efforts to improve wages and working conditions for all our employees. The average monthly cash wage of workers on the Group's mines in South Africa and South West Africa/Namibia classified as unskilled was R247 in the second half of the year compared with R203 in the same period of 1979. The average monthly earnings of black employees in South Africa and South West Africa/Namibia amounted to R393 at the year end.

Training and training facilities for mine employees which we regard as matters of the highest importance are under continuous review and major improvements have been and are being effected.

The Group continues to accept the *responsibility for helping to improve* the general cultural environment in which it operates and during the year made available R6.3 million for educational and community development purposes.

It is with deep regret that I must record the death, on 13th June 1980, of Mr. A. Wilson, who was a director of De Beers for thirty years. Mr. Wilson concerned himself particularly with the need for the best possible human relations between employees of all sections and races within our Group and was regarded by us all with affection and respect. In him we have lost a valued colleague and a true friend. Mr. P. J. L. Crokaert resigned from the board after 21 years of service. His intimate knowledge of all aspects of the diamond trade was of inestimable value to us and he will be greatly missed. Mr. P. J. R. Leyden and Mr. A. E. Oppenheimer were appointed to fill these vacancies.

For the full Report & Accounts for 1980 including the Chairman's Statement, please send this coupon to: The London Secretaries, Room 1, 40 Holborn Viaduct, London EC1P 1AJ.

Name ____________________

Company ____________________

Address ____________________

De Beers

De Beers Consolidated Mines Limited

Incorporated in the Republic of South Africa

Francis Ghiles on prospects for the largest Eurodollar borrower

A pricing problem for the EIB

THE EUROPEAN Investment Bank (EIB) last year raised slightly more than $3.3bn of bonds on the international capital markets, making it once again the Eurodollar sector's single largest borrower. This year, the bank expects to raise roughly the same sum.

The EIB has been the most regular, as well as the largest, borrower in the dollar sector of the Eurobond market since the late 1960s and every important bond house has arranged at least one issue for it. Meanwhile, it has been active in the D-mark and Swiss franc sectors as well.

However, now it is finding money much dearer. It is not alone in this, for rising and increasingly volatile U.S. interest rates have made the life in the Eurobond market much more difficult both for corporate treasurers seeking funds and issue managers.

Yet, the EIB is also a victim of its own success. Investors are proving increasingly resistant to its paper which, at least in the dollar and Swiss franc sectors, often trades on a higher yield basis than that of other triple A-rated names. The very tight pricing of many EIB dollar Eurobond issues has not improved their secondary market performance, and may have depressed it.

M. Andre George, EIB's treasurer, sees this yield differential as a transitory problem. He remains optimistic about the bank's ability to raise funds and points out that the EIB is the funding arm of the European Economic Community and that the aggregate amount of loans and guarantees provided by the bank outstanding at any time cannot be greater than 250 per cent of its subscribed capital.

This capital is expected to be doubled to ECU 14.4bn ($17.05bn) when the board of governors meets in June. An outstanding funding debt of $13.75bn thus looks reasonable when compared with that of many sovereign borrowers.

M. George also points out that about half of the $592m the EIB has raised so far this year have been in the form of private placements—a trend which is growing and which should help alleviate the pressure on public issues.

The EIB has sought to tap as many different sectors as possible, and as the chart shows, it has managed to diversify its sources of revenue considerably.

The EIB can also point to the queue of bond houses which are waiting to launch new issues for it, though it is not alone in that.

The bank's basic function laid down by the Treaty of Rome, is to contribute on a non-profit basis to regional developments and projects of common interest to several member states of the EEC. It also helps to finance operations in more than 50 Third World countries, many of which are signatories of the Lome Convention.

The bank raises the bulk of the funds for its lending operations on the capital markets. Although it has traditionally been active in the dollar, Deutsche Mark and Swiss franc sectors of the market, it has rarely let an occasion slip to raise funds in other sectors. Indeed, it can claim a number of "firsts."

For example, the EIB reawakened the French franc and guilder sectors in 1978, it was the first to tap the Euroyen market and it also raised a Deutsche Mark bond in London—though the opposition of the German banking community ensured that there was never a sequel.

Investor resistance to EIB paper has materialised in three sectors: the Swiss franc and fixed interest sectors of the Eurodollar market and in the Yankee bond market.

The bank has had to pay a higher coupon than other triple A-rated borrowers on its Swiss franc bonds, though it can console itself with the knowledge that the World Bank is in the same position today, and for the same reason. There have been too many EIB and World Bank bonds in recent years.

In the dollar Eurobond sector and in the Yankee market, many seasoned EIB issues trade on a yield 20 to 50 basis points higher than that of other triple A-rated borrowers. The overhang of EIB paper was certainly made worse two years ago, when over a 13-month period in 1979-80, it raised more than $1bn in Yankee bonds.

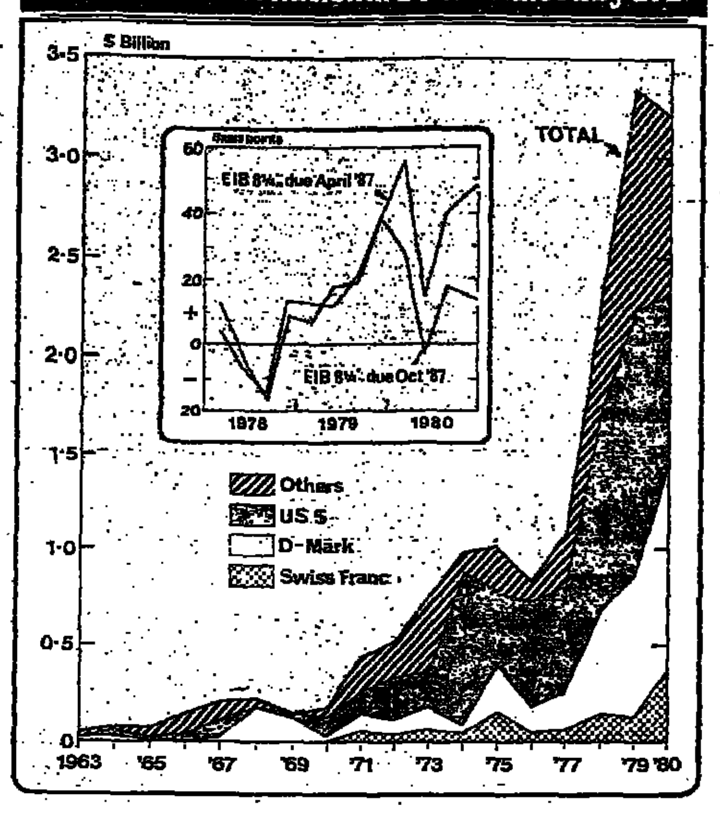
The sector proved able to absorb far less than the EIB and its lead managers had anticipated, and much of the paper appears to have ended up in European portfolios, thus increasing the growing glut on this side of the Atlantic. Most bond portfolio managers place limits on the amount of paper from any single borrower they are willing to hold.

The normal limit of 10 per cent appears to have been reached, so far as EIB paper is concerned, by a considerable number of investors.

The pricing of new issues for the bank has also become complicated by the large volume outstanding, for new issue managers have to bear in mind that a high-yielding new issue will simply cause investors to ditch lower-yielding EIB paper.

Whether being more generous to the investor will help the EIB remains to be seen, though many bankers are convinced that it will have to move in this direction.

Volume of International Bonds Raised by EIB



GM opens year with gain despite static sales

By Our New York Staff

GENERAL MOTORS, the world's largest motor manufacturer, had slightly better than expected first-quarter profits, but is still counting on its U.S. production workers to make pay concessions to narrow the gap between its costs and those of Japanese competitors.

Net income in the quarter *totalled $190m, up from* $155m in the same quarter of 1980. Sales were virtually unchanged at $15.7bn.

Worldwide sales of cars and commercial vehicles totalled 1.69m units, 17 per cent down from the first quarter of 1980.

The improvement in GM's profit margins, although still far below the level needed to support the company's record level of capital spending, was achieved through aggressive cost-cutting and a relatively firm stand on pricing

Mr. Roger Smith, chairman, and Mr. James McDonald, president, said that with the launch of GM's sub-compact J-car line next month, the company was looking ahead to a good spring selling season. With economies in some important foreign markets weakening, however, 1981 would not be an outstanding year. "But despite the uncertainties we do expect 1981 to be a year of improvement and progress."

Mixed result at Owens-Illinois

By Our Financial Staff

HIGHER OPERATING earnings were achieved by Owens-Illinois, the world's leading manufacturer of packaging *products, in the first quarter* of this year, but at net level profits fell from the record $26.5m of the comparable 1980 period to $24m, or 80 cents a share. Sales moved up from $938m to $963.7m.

Mr. Edwin D. Dodd, chairman and chief executive, said that operating results in most domestic divisions improved but earnings had been adversely affected by unusual factors including currency translation effects, boiler repairs, an accounting change at the Lily division and lower equity earnings from a domestic affiliate.

Bethlehem Steel earnings halved

BY IAN HARGREAVES IN NEW YORK

BETHLEHEM STEEL, the second largest U.S. steelmaker, *had a disappointing first quarter* as net income fell to $25.4m, compared with $54.4m a year earlier.

The profits figure was also much lower than in the final quarter of last year, when an unexpected surge in the U.S. economy improved profits throughout the industry.

Bethlehem's cautious view of the outlook is reflected in its capital spending plans, which call for a budget of $425m to *$475m this year, compared with* expenditures of $506.6m last year.

Bethlehem said its non-steel operations, such as marine construction and plastics, returned to profits in the quarter but that operating income from steel and raw materials was down sharply.

Steel production in the quarter was down by 10 per cent to 4.1m tons and shipments fell by 8 per cent to 3.1m tons, compared with the 1980 first quarter.

Bethlehem said the first quarter shipments were better than expected and that production and shipments rose 11 per cent and 8 per cent respectively, from the fourth quarter of 1980. *Second quarter shipments are* expected to be slightly higher than those of the first quarter, *which would put them well up* on the 2.62m tons of the second quarter of 1980.

Contrast in returns from leading U.S. oil groups

BY OUR NEW YORK STAFF

TEXACO, the third largest U.S. oil company, earned $658m or $2.45 a share in the first quarter of 1981 compared with $600.6m or $2.21 a share, in the same period last year. In the 1980 period there was also a gain of $402.3m on the sale of Texaco's interest in the Belridge Oil Company to Shell Oil which made the final net earnings figure $1bn.

First quarter revenues totalled $15.5bn, compared with $13.2bn the year before.

Shareholders are to get more, with the quarterly dividend going up from 65 cents to 70 cents a share.

Like other U.S. oil companies, Texaco said refining and marketing earnings declined particularly in the U.S. due to the current soft market conditions.

In contrast, first quarter earnings at **Phillips Petroleum** fell from $284.4m or $1.85 a share to $270.8m or $1.78 a share on revenues up from $3.38bn to $4.23bn. The latest period included currency translation gains of $23m against losses of $8m in 1980.

Another leading U.S. oil company, Sun, which ranks number 11, reported a 52 per cent decline in first quarter earnings to $120m or 97 cents a share on revenues of $4bn, from $251m or $2.09 a share on sales of $3.1bn last year. Again, the company attributed the sharp decline to current oil market conditions.

Borg-Warner downturn

BY OUR FINANCIAL STAFF

BORG-WARNER, the automotive components, air conditioning and chemicals group, saw *net profits dip from $35.9m to* $34.6m in its first quarter after a 12.3 per cent drop in earnings from its manufacturing operations. Per share profits were $1.60 against $1.68.

Sales for the quarter were down from $680.1m to $676m, and Mr. J. F. Bere, the chairman, said that "the bright light" of the period was the continued strong performance of its service operations, which include financial services and security activities. Also, its 18 per cent equity share of earnings of Hughes Tool, the world's largest drill bit manufacturer, more than doubled in the quarter.

Overall the company expects improvements in earnings for the remainder of the year, with the chemical and plastics businesses showing gains.

Xerox ahead in first quarter

By Paul Betts in New York

XEROX, the U.S. copier and office equipment group, reports a 7 per cent increase in first-quarter income and a 10.5 per cent increase in sales compared *with the same period last year.*

First-quarter profits were $157.4m or $1.86 a share on operating revenues of $2.05bn, compared with $146.4m or $1.74 a share on sales of $1.85bn.

The company said revenue was adversely hit by the strengthening of the dollar while net income and earnings per share were helped by a lower tax rate in international operations.

First-quarter rentals and service revenue was up 8 per cent, while revenue from the sale of copiers and duplicators, supplies and other Xerox products increased 16 per cent.

New busines sinstallations of copier and duplicator machines were higher than those of a year ago and cancellations of equipment not replaced by other Xerox units were lower than in 1980.

Profits drop at Bloedel

By Robert Gibbens in Montreal

DEPRESSED WORLD timber markets and high money costs cut into first quarter earnings at MacMillan Bloedel, Canada's largest forest products group and now controlled by Noranda Mines. Net income was C$11.5m (US$ 9.6m), or 40 cents a share, against $44.7m, or $2.04, a year earlier on sales of $617m against $619m.

Most Canadian forest products' companies have been *reporting lower profits for the* first quarter but those for MacMillan show the largest decline.

The company is the largest producer of logs and construction timber and exports to the *U.S., the Far East and Europe.* The severe drop in the lumber market was mainly attributable to depressed housing starts in North America and Europe. Little recovery is evident in North America because of high interest rates.

Massey financing

Massey Ferguson, the troubled farm equipment group, expects to complete its refinancing programme in June, Reuter reports from Toronto.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday, May 14.

Closing prices on April 28

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Am. Air. 15¾ 86 (WW)	55	99½	100	−0½	−0¾	15.30
Amoco 13¾ 88	75	93	93½	−0⅛	−1⅞	14.86
CIBC 14½ 84	185	98⅝	99⅛	+0⅛	−0⅞	14.97
CNE 12¾ 91	100	88⅝	89¼	−0⅜	−1½	14.93
Citicorp O/S Fin. 10 86	300	82⅝	83⅛	−0½	−1⅜	14.95
Citicorp O/S Fin. 12 87	200	87⅛	89⅛	−0⅜	−1⅞	15.01
Con. Illinois O/S 9¾ 86	150	81½	82	−0⅜	−0⅝	15.04
Dupont Canada 13½ 91	86	92¼	92¾	−0⅜	−1⅝	14.98
EEC 11 95 (May)	75	78⅝	79½	−1⅛	−1⅞	14.61
EEC 11 95 (August)	70	76⅝	77⅛	−1½	−1⅜	14.91
EIB 12¾ 89	75	89¼	89⅝	−0⅜	−1½	15.13
Eldorado 13⅞ 86	50	93⅝	94⅛	0	−0½	15.08
Elec. de France 10 88	125	78⅝	79⅛	−0½	−1⅝	14.98
Elec de France 13 88	125	92¼	92¾	−0⅜	−1⅛	14.79
Export Dv. Cpn. 9½ 86	150	81⅝	82⅛	−0¼	−0⅝	15.11
Fed. Bs D. 12¾ 85 (N)	50	91⅛	91⅝	−0⅜	−0⅞	14.89
Fin Exp. Credit 10½ 95	50	84½	85	−0½	−1	15.71
Finland, Rep. of 9½ 86	100	80½	81	−0⅜	−1	15.37
Ford Credit O/S 12⅝ 83	150	96⅛	96⅝	−0⅝	−2⅛	16.32
Ford Cr. O/S Fin. 16 84	150	98⅞	99⅞	−0¼	−2¾	16.32
Gaz de France 13½ 88	80	95⅝	96⅛	−0½	−1⅛	14.72
GMAC O/S Fin. 12 87	100	86⅝	87⅛	−0½	−1½	15.30
GMAC O S Fin. 12⅞ 88	100	89⅞	90⅜	0	−0⅞	15.28
Gen. Mtrs. O/S 11¾ 87	100	86	86⅞	−0¼	−1⅛	15.18
Geustar 14¾ 91	50	97⅛	97⅝	−0⅜	0	15.27
GTE Fin. 12¾ 86 (WW)	50	96⅛	96⅝	−0½	−1⅛	14.91
Hudson's Bay 11½ 90	75	82⅞	82⅝	−0¼	−1	15.17
IBM Wld. Trade 12½ 88	200	92⅞	93⅜	−0⅛	−1⅛	14.11
Newfoundland 13½ 90	60	91⅝	92⅛	−0½	−2⅛	15.20
Nova Scotia 10¾ 90	50	79½	80	−0⅜	−1⅜	14.90
OKB 10 85	50	84⅞	85⅜	−0½	−1⅜	14.97
Ontario Hydro 13½ 91	100	92¼	92¾	−0½	−1½	16.98
Quebec Hydro 11½ 92	100	80⅝	81⅛	−0⅜	−2	15.14
Queb. Hy. 13 91 (WW)	100	88⅞	89⅜	−1½	−1½	15.17
Pavlease 11¾ 85	50	88	88½	−0½	−1½	15.26
SNCF 13½ 85	50	93⅞	93⅞	−0¼	−0⅞	14.65
SNCF 13 91	75	90⅞	91⅜	−0⅜	−1⅜	14.74
Sth. California Ed. 14 87	50	96⅛	96⅞	0	−0⅜	14.88
Sven Handelsbk. 13¾ 88	45	93¾	94⅛	−0⅛	−0⅝	15.20
Sweden 12⅞ 85	150	90½	91	−0⅜	−1⅜	15.36
Swed. Ex. Credit 12 83	50	93⅜	93⅞	−0¼	−0⅞	15.23
Swed. Ex. Credit 13 86	75	91⅜	91⅞	−0⅛	−1⅛	15.58
Tribune O/S Fin. 14 85	50	95⅞	96⅜	−0½	−1⅛	15.15
World Bank 9¾ 85	200	84⅝	85⅛	−0⅜	−1⅜	14.88
World Bank 10¾ 87	300	81⅜	82½	−0½	−1½	14.95

Average price changes.. On day −0⅜ on week −1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Asian Dev. Bk. 8⅞ 90	100	90⅜	90⅞	0	−0½	9.85
Australia 8½ 90	250	95	95½	0	+0⅜	8.92
Austria, Rep. of 8¼ 92	150	88⅞	89⅜	−0⅜	−0⅛	9.84
CECA 7⅞ 92	150	87⅞	88⅜	0	+0⅜	9.61
CECA 10 91	120	102⅝	103⅛	0	+0¼	9.55
CII-Honeywell 8⅞ 90	125	90¼	91	+0⅛	−0½	9.96
EIB 8½ 90	200	90⅞	91½	−0⅜	−0⅜	9.98
EIB 10½ 91	200	102⅛	102⅞	0	+0⅛	10.08
ESCOM 9¾ 87	100	93¾	94½	0	−0⅜	10.52
Iberduero SA 9 90	100	94⅞	95⅜	0	0	9.79
Ind. Bk. Finland 8½ 90	50	89⅜	90⅜	0	−0⅝	10.22
Int.-Amr. Dv. Bk. 10 91	100	99¼	100	0	−0⅜	10.05
Japan Air Lines 8⅛ 87	100	92⅞	93⅜	−0⅛	−0½	9.59
Japan Dev. Bank 7⅝ 87	100	89⅞	90⅜	0	−0⅞	9.86
Kobe, City of 8 90	100	90	90⅜	−0½	−0⅜	9.62
Midland Int. Fin. 8½ 90	180	92⅞	93⅜	0	−0⅜	9.69
Nuclebras 9¾ 86	100	90⅝	91⅜	0	−1⅛	11.66
OKB 8¼ 92	150	88⅜	89⅛	−0⅛	−0⅜	9.95
Oslo, City of 8¾ 90	80	94⅞	95⅝	−0½	0	9.56
Venezuela, R. of 9¾ 90	150	94¾	95½	−0¼	+0¼	10.57
World Bank 8 90	700	87⅝	88⅜	0	−0¼	10.04
World Bank 10 86	150	101⅞	101⅞	+0⅛	−0⅛	9.61
World Bank 10 90	200	100⅞	101⅜	0	−0⅛	9.78

Average price changes... On day 0 on week −0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Austria, Rep. of 5⅜ 90	100	89½	89¾	+0⅛	+1	5.92
BFCE 6½ 91	100	99	99½	−0⅞	−0⅞	6.60
Bayer Int. Fin. 5¾ 92	100	90¾	91	−0⅛	−0½	6.40
Bergen, City of 6 90	50	92½	92½	−0½	−2⅛	7.17
Buhrm'-Tetterode 7 90	40	100¼	100½	0	−0⅛	6.94
Copenhagen Tele 5¾ 90	60	88½	89	−1⅜	−1⅜	7.45
Denmark 5⅝ 90	80	87⅜	87¾	−3	−2½	7.69
Dome Petroleum 5¾ 91	100	94¼	94½	−0⅛	+0⅛	6.54
Elec. de France 5⅛ 90	100	89¾	90	+0⅛	0	6.73
Eurofima 5¾ 92	80	97⅞	98⅜	−0⅞	−⅞	5.98
F. C. H. Hypo. Bk. 6 90	50	92¼	92¾	−0⅛	−1⅜	7.14
Finland, Rep. of 5⅞ 90	80	†88	88½	−0⅜	0	7.41
Int.-Amer. Dev. 7 90	80	100	100¼	0	−0⅛	6.98
Japan Dev. Bank 5¾ 90	100	93½	93¾	−0⅜	−1⅜	6.67
Jutland Tele. 5½ 90	50	86¾	87¼	−0⅜	+0⅛	7.57
Mt. Blanc Tunnel 5½ 90	60	88⅜	89¼	−1⅛	−0½	7.15
Newaq 5¾ 90	80	90½	90⅜	−0⅛	−0⅞	7.17
Norges Komm. 4⅞ 91	100	80	80¼	−2	−2	7.13
OKB 6 90	100	92	92½	−2¼	−2⅞	7.21
Oslo, City of 4⅞ 91	100	80¼	80½	−0⅜	+2⅞	7.09
Oslo City of 5⅞ 90	80	92⅛	92½	0	−0⅜	7.02
Philips Lamps 5⅞ 92	100	88	88¼	−1⅛	−1⅛	6.79
Sekisui Pre. Hms 6 90	80	†96	96¼	−0⅜	−0¼	6.57
Trade Dev. Fin. 6⅛ 90	50	92	92¾	−1⅜	−2	7.31
Voest-Alpine 5⅞ 90	80	90¾	91	−0⅜	−0⅞	7.11
World Bank 6 91	100	93¼	93½	+0⅜	+0½	6.95

Average price changes... On day −0⅜ on week −0⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Australia 5 6 83	30	93½	94⅛	+0½	+0⅛	8.55
Australia 6½ 88	20	87⅛	88⅛	−0⅛	−0⅛	8.95
EIB 7⅛ 89	12	93½	94½	−0⅛	+0⅛	8.78
Finland 5 6 83	10	92⅜	93⅜	−0¼	−0⅛	8.85
Finland 6.8 88	10	87⅝	88⅝	0	0	9.18
Finland, Rep. of 8⅝ 87	15	98⅞	99⅞	0	0	8.50

Average price changes... On day 0 on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Bell Canada 10¾ 86 C$	80	88⅝	89⅛	−0⅛	−1⅜	13.67
CIBC 13½ 85 C$	50	94½	95½	+0⅛	−1½	15.23
CIBC 11½ 85 C$	60	88⅜	89⅛	−0⅛	−1⅛	15.27
Federal Dev. 11½ 90 C$	60	†82⅝	83⅜	−0⅛	−1⅛	14.93
Fst. Can. Inv. 10 84 C$	50	†86⅝	87⅞	+0⅛	+0⅛	15.55
R. Bk. Canada 10 86 C$	40	91	92	0	−0½	12.35
Tordom Cpn. 13½ 85 C$	30	†94½	95⅛	−0½	−1⅛	16.27
Mt. Bk. Dnmk. 9 91 EUA	25	90¼	91¼	0	−0⅜	10.45

	Issued	Bid	Offer	Change on day	week	Yield
SOFTE 8¾ 89 EUA	40	86½	87¼	0	+0⅜	10.73
U. Bk. Nrwy. 9½ 90 EUA	18	97	98¼	0	−0⅛	9.91
Algemene Bk. 10⅝ 86 Fl	60	96⅝	97⅛	−0⅛	−0¼	11.10
Bk. Mees & H. 10 85 Fl	75	96⅝	96⅞	−0⅜	−0⅞	11.00
Heineken NV 10 87 Fl	100	94⅞	95⅜	−0½	−0½	11.11
Nat. Nedrlndn. 10 88 Fl	60	95⅛	95⅝	−0¼	−0½	10.98
Ned. Midd. Bk. 10 85 Fl	75	97⅛	97⅝	−0⅛	−0⅛	10.75
Pierson 10¾ 86 Fl	50	96⅞	97½	−0⅛	−0½	11.03
Aero Paris 13¾ 87 FFr	150	93⅝	94⅛	0	0	14.56
Charb'nages 13⅞ 85 FFr	400	97¾	98¾	−0⅛	−0½	14.35
CECA 14¼ 86 FFr	150	99½	100½	−0½	+0⅛	14.27
EIB 14⅜ 88 FFr	300	98⅜	99½	0	0	14.35
Gaz de France 11 84 FFr	150	91⅛	91⅞	−0⅛	−0½	14.17
La Redoute 14⅞ 85 FFr	125	95¼	96¼	0	+0⅛	15.65
OKB 14 86 FFr	400	98½	99½	−0¼	0	14.26
Solvay et Cie 14¾ 86 FFr	200	102½	103½	0	+0⅜	13.83
Utd. Mex. Sts. 14 85 FFr	150	96⅞	97⅞	−0⅛	+0½	14.87
Acona 14 85 £	20	95½	96½	−0¼	−0¼	15.20
Beneficial 14½ 90 £	20	93½	94½	−0½	0	15.41
BNP 13½ 91 £	15	95½	96½	−0½	−0½	14.30
CECA 13½ 88 £	20	95⅞	96⅝	−0⅛	−0½	14.30
Citicorp O/S 13½ 90 £	50	95¼	96½	−0½	−0⅛	14.27
Fin. Exp Cred. 13¾ 86 £	15	97⅜	98½	−0⅛	0	14.32
Gen. Elec. Co. 12½ 89 £	50	93⅝	94½	+0¼	−0⅛	13.78
Hiram Walker 14¼ 86 £	25	97⅞	98⅞	−0⅛	−0⅛	14.80
Privatbanken 14½ 88 £	12	96⅛	97¼	−0½	−0⅛	15.22
Rothschild 14⅝ 90 £	12	97⅜	98⅜	0	+0⅛	14.61
Royal Trustco 14 86 £	12	98⅞	99⅞	−0⅛	0	14.23
Swed. Ex. Cr. 13¾ 86 £	20	97⅜	98⅜	0	+0⅛	14.32
Banobras 8¼ 90 KD	7	†91½	92	0	0	9.56
CCCE 8⅛ 91 KD	10	†83¾	84¼	0	0	10.83
Sonatrach 8½ 90 KD	12	†94½	95⅛	0	0	9.35
Akzo 9½ 87 LuxFr	500	85⅞	86⅞	0	−0½	12.40
Euratom 9¾ 88 LuxFr	500	89⅞	90⅞	+0½	+1½	11.89
Eurofima 10½ 87 LuxFr	500	92½	93½	0	+0⅛	12.08
EIB 9¾ 88 LuxFr	600	90½	91½	0	+0⅛	11.73
Volvo 9¾ 87 LuxFr	500	85½	86½	0	−0⅜	13.01

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0¼	99¼	99¾	2/7	16⅝	16.71
Bank of Montreal 5¼ 90	0¼	99⅜	99⅞	18/6	19½	19.57
Bank of Tokyo 5⅛ 89	‡0⅛	98⅝	99⅜	25/7	16½	16.69
BBL Int. 5 86	0¼	99⅛	99⅝	20/5	16½	16.60
Bergen Bk. A/S 6 89	‡0¼	†98⅝	99⅛	29/5	17⅛	17.32
BNP 5½ 88	‡0⅛	99¼	99¾	29/4	18.69	18.78
CNT 5¾ 86	§0¼	99½	100	16/10	16.81	16.85
Christiania Bk. 5½ 91	‡0⅛	97⅜	98⅛	5/5	17⅜	18.14
Citicorp O/S F. 84	‡0	99	99½	30/4	15.44	15.56
C. Itoh 5⅛ 87	0¼	98¾	99¼	18/9	15.44	15.59
Co-operative Bk. 6 86	0⅛	97⅞	98⅜	16/5	15¼	15.54
Den Norske Credit 6 90	‡0⅛	98½	99	5/5	17¾	17.97
Genfinance 5⅜ 87	0¼	99⅛	99⅝	30/4	15⅛	15.22
Giro und Bank 5⅛ 91	‡0⅛	97½	98	23/6	14.06	14.39
GZB 5½ 89	‡0⅛	98½	99	1/5	17⅞	18.10
Ind. Bank Japan 5⅛ 87	0¼	99⅜	99⅞	15/10	17.06	17.13
Ind. Bank Japan 5¼ 88	0¼	99	99½	9/10	16.44	16.56
Lloyds Eurofin 8 90 £	0¼	96⅞	97⅜	3/7	14½	14.93
Lloyds Eurofin 5⅛ 92	0¼	98⅛	98⅝	4/6	17⅛	17.51
LTCB Japan 5⅛ 86	0¼	99⅞	100⅜	13/6	20.19	20.16
Man. Hanov. O/S 5⅜ 94	‡0⅛	98½	99	30/5	17	17.22
Midland Intl. Fin. 5¾ 92	0¼	98⅜	98⅞	5/6	17.19	17.43
Nacional Fin. 6⅛ 88	0¼	99⅜	99⅞	25/7	17⅞	17.82
Nacional Fin. 5½ 88	0¼	97½	97⅞	25/9	14⅞	15.28
Nat. Bk. Canada 5⅛ 88	0¼	97⅞	98¼	24/9	14½	14.81
Nat. West. 5⅛ 94	§0⅛	98	99½	14/10	16.19	16.48
Nat. West. 5⅛ 92	§0⅛	98	98½	23/10	16.81	17.11
Pemex 6 91	0⅛	97½	98	8/10	15.31	15.66
Sparebanken 6 87	0⅛	99⅛	99⅝	19/6	19⅞	20.00
Standard Chart. 5½ 90	0¼	99½	99⅞	3/9	17.06	17.15
Svenska Hndlsbk. 5 37	0⅛	99½	100	15/7	17.81	17.86

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	97⅛	99⅛	0	31.29
Canon 6¾ 95	1/81	829	142⅞	144⅞	+2½	9.75
Credit Suisse 4¾ 93	10/79	1236	93	95	0	−1.41
Digicon Fin. 8½ 95	10/81	29.5	104½	106	−0½	0.97
Ina Overseas 8¾ 2000	4/81	42	105⅞	107½	−0½	−0.89
Inchcape Ltd. 8 95	2/81	4.55	95	96	−1	−0.01
Jacos 7½ 95	11/80	585	117	118½	+2	13.25
Kotobukiya Co. 7 96	4/81	619	97½	99¼	−1⅛	−8.18
Marion Int. Fin. 9 95	12/80	15.5	84⅝	85⅞	0	32.14
Matsushita El. 7½ 95	11/80	590	119½	121½	−0½	−2.33
MEPC 8¾ 96	2/81	2.47	97½	99	−2	12.80
Niigata Eng. 7½ 96	1/81	327	100	102	0	7.85
Nissho-Iwai Co. 8 96	10/80	398	79½	81	+1½	−0.04
Ricoh 6⅛ 95	8/80	604	126½	127½	+2¼	5.26
Sumitomo M. Ind. 7 95	2/81	131	124½	125⅜	0	1.19
Swiss Bk. Cpn. 6¾ 90	9/80	206	75½	77⅛	−1⅛	14.75
Taylor Woodrow 8⅞ 90	1/81	4.94	108	109½	−1⅛	−0.68
Tokyu Land Cpn. 7⅛ 96	4/81	325	104⅜	105⅜	+0⅛	0.31
Transco Int. 8⅜ 95	2/81	62	83⅝	85½	−0⅛	35.30
Tricorp 8½ 95	12/80	31.25	87	88	−0¼	42.97
Union Bk. Switz. 5 89	2/80	121.4	76½	78½	+0⅛	−11.75
Fujitsu 5 84 DM	7/79	531.5	168⅝	169⅝	+6	2.49
Sharp Cpn. 6½ 86 DM	9/80	595	165⅝	166⅝	+2⅛	−1.33
Uny Co. 6½ 85 DM	11/79	879.3	106½	107½	0	−1.87

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency *units except for Yen bonds where it is in billions.* Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. *Spread=Margin above* six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. *C.yld=The current yield.*

Convertible Bonds: Denominated in dollars unless otherwise indicated. *Chg. day*=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per *share expressed in* currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price *of acquiring shares via the bond over the most recent* price of the shares.

Non-trading items lift Eastern Air

By Our New York Staff

EASTERN AIR LINES, the large Miami-based carrier, managed a small profit in the first quarter, after large non-trading gains, but expenses continued to grow at a more rapid pace than revenues.

Eastern said its net earnings were $4.1m, or 4 cents a share, in the quarter, up from $3.5m, or 8 cents. The result was boosted by a $5.2m ($672,000 previously) gain from equipment sales and a $5.9m benefit from pension fund changes. There was also a $2.3m ($1m in 1980) foreign currency translation gain.

Operating revenues for the period at $961.5m were up 12.6 per cent while operating expenses climbed by 13.2 per cent to $947.6m.

Mr. Frank Borman, the *chairman, said the results were* "far from satisfactory," but gratifying in view of the *difficulties facing other trunk* carriers.

Fixed rate dollar bond prices fall

By Francis Ghilès

FURTHER upward pressure on U.S. interest rates and the weakness of the New York bond market pushed the prices of fixed rate dollar Eurobonds down by about ½ of a point yesterday. The expected announcement today of a $8bn Treasury refinancing did little but add to the gloom in which the international bond markets are engulfed.

The dollar sector of the Eurobond market still looks very expensive. Investors can buy two-year U.S. Treasury bonds which yield 15.25 per cent and see no justification for buying a 10 per cent Citicorp Eurobond to 1986, to quote but one example, which yields a little more than 15 per cent. The yield offered on the latest domestic U.S. bond issue for Citicorp, which was priced on Monday, offers an annual return of 15.89 per cent.

A $100m 15-year convertible is being arranged for the Japanese steel company, Nippon Kokan, which offers an indicated coupon of 6¾ per cent. Joint lead managers are Yamaichi and Nomura.

In the Swiss franc sector, prices further declined by ⅜ of a point as interest rates increased. The six-month Euro-Swiss franc rate climbed ¾ per cent *yesterday to reach 10 per* cent. This state of affairs makes new issues very difficult to sell, as investors are waiting for the paper to reach the secondary market where they can pick it up at a discount.

The new SwFr 70m issue for *Pyhrn Autobahn*, which closes today, is nearly subscribed, while the Japan Development Bank bond, offering a yield of 6.75 per cent, is selling slowly.

Swiss Bank Corporation is arranging a SwFr 25m five-year convertible with an indicated *coupon of 4½ per cent for Aichi* Machine Corporation.

In Germany, foreign D-Mark bonds were *virtually unchanged.* in thin trading.

Why the Germans are wary of automatic banking

By Stewart Fleming in Frankfurt

"THE CITI Never Sleeps": the slogan New York's Citibank used to launch its 24-hours-a-day automatic banking machines in that rumbustious metropolis could scarcely be used in the sedate, provincial elegance of Stuttgart—a city where vineyards reach down even to the main station.

It is the case however, that while Germany's big three commercial banks, Deutsche Bank, Dresdner Bank and Commerzbank, have been napping, regional and savings banks, such as the Stuttgart-based Landesgirokasse or the Munich-based Bayerische Vereinsbank, have taken the lead in introducing the automatic machines into Germany.

By the end of this year for example, Landesgirokasse will have 30 machines operating in the Stuttgart area 24 hours a day. The machines dispense cash to customers and allow them to pay money into accounts, transfer funds between different types of accounts and find out almost instantaneously how much money they have in the bank. The Bayerische Vereinsbank, for its part, is into its second generation of equipment and has about 15 automatic tellers operating.

The issue of electronic banking is an increasingly hotly debated topic in West Germany today. After a decade during which intense competition—and a business policy which said that the way to cover rising costs was to increase business volume—lead to the over-expansion of the retail banking branch network, a new mood prevails.

Rapidly rising personal costs and branch costs have been one of the factors behind the squeeze on bank profits in Germany over the past two years. The result is that today the banks are vying with each other in boasting to their shareholders about their plans for curbing branch and staff growth.

Like their competitors in other countries, German bankers can see that replacing live clerks with automatic tellers could be a path to big cost savings. But their customers have become used to a type of customised personal service which bank customers in Britain and the U.S. can only dream about.

The long queues which form daily at the Fifth Avenue and 51st Street branch of Citibank in New York, even though it has four automatic tellers in operation, are unknown to bank customers in Germany. Each Deutsche Bank branch services only about 1,400 customers. Many German bank clerks have more than enough time to pass the time of day with their customers, sometimes even to make a couple of telephone calls on their customers' behalf to help them sort out problems with the electricity or telephone bill which has been automatically debited each month from their account.

So, it is not surprising that many German bankers seriously question whether their retail customers will be willing to use the new fangled machinery. The machinery is expensive both to install and to run and only a high enough utilisation rate to allow the bank to reduce its staff can make the investment pay off.

Even in the hurly burly of New York, many bankers questioned whether the Citibank experiment would work. The reservations of the German banks are then readily understandable.

According to Dr. Sieghardt Rometsch, managing director of Landesgirokasse, which has assets of DM 13bn, so far as his bank in the Stuttgart area is concerned, the reservations appear to be unfounded. Acceptance of the machines has been good and he has already begun to make some savings on staffing levels.

For the time being, however, Dr. Rometsch is operating the machines in and around the main city area. Like other German bankers he seems to share the reservations that are expressed about the willingness of customers in smaller villages to use such equipment.

With many bankers complaining about the heavy burden on their profit and loss accounts of bloated retail banking services, there is little doubt, however, that automatic machines will spread through Germany. In Berlin, the big commercial banks have a joint trial of cash dispensers in progress, which in time is expected to evolve into the joint exploitation of automatic tellers providing wider service functions.

However, the uneasy compromise between competition and co-operation in such a venture, the availability of equipment and the differing views of what is acceptable are among some of the factors which could well slow down developments.

Agfa-Gevaert seeks more capital as losses end

BY STEWART FLEMING IN FRANKFURT

AGFA-GEVAERT, the Belgian-German photographic group, has recorded a dramatic improvement for 1980. Net of tax, profits were DM 63.2m ($29m) against loses of DM 117.8m in 1979.

The company was hit in 1979 by spiralling silver prices in the wake of which the German chemical giant, Bayer, took majority control of the company, injecting new capital into it and lifting its shareholding to 60 per cent.

In 1980 increased selling prices contributed to a 21.7 per cent rise in sales revenues to DM 4.4bn, and the group is expecting that increases in volume this year could lift sales revenues to DM 5bn.

The company, whose interest charges totalled DM 250m last year, faces the prospect of a further increase in its capital—a decision on which is expected to be taken shortly. It has been predicted that Bayer could take the opportunity to take full control of the group.

The company also revealed yesterday that while the Belgian operation recorded a profit of DM 81.6m, the German side of the business reported a loss of DM 18.4m.

Separately, Kodak AG, the German subsidiary of U.S. Kodak, the world's biggest photographic products group, reported that earnings had fallen from DM 34.9m to DM 28.4m ($13m) in the year ended October, 1980.

The company explained that the weakness of the D-Mark against the dollar had been a bigger burden on earnings than the rise in the silver price at the beginning of 1980, even though the U.S. parent company had sought to ease the burden.

Strong performance by Sanofi

BY TERRY DODSWORTH IN PARIS

SANOFI, the French pharmaceuticals and cosmetics group, virtually doubled its consolidated profits last year to FFr 250m ($50m) from FFr 132m in 1979.

Turnover also went up sharply from FFr 2.9bn to FFr 5.2bn, while cash flow rose from FFr 254m to FFr 439m.

A substantial part of this increase is the result of the inclusion in the accounts of CM Industries (Clin-Midy), the pharmaceuticals group which merged with Sanofi last year.

The figures for 1980 confirm the rapid expansion of Sanofi, a company created by the Elf-Aquitaine oil group, but now partially hived off as a public group in its own right.

After the take over of CSM Industries, it is reckoned that Sanofi has moved into second position in the league table of French pharmaceuticals companies, behind Rhone-Poulenc, but ahead of Roussel-Uclaf, the company controlled by Hoechst.

● Lesieur, the vegetable oil and detergents group, has increased net profits by 16 per cent to FFr 103.5m ($20m) for 1980 and is lifting its dividend to FFr 30 a share from FFr 26. Sales were 11 per cent higher at FFr 4.2bn.

● Carrefour, the supermarket chain, has raised net profits for 1980 from FFr 279m to FFr 342m ($66m), a gain of 22 per cent. Sales totalled FFr 20.4bn compared with FFr 17.8bn.

Falck plans public share issue

BY RUPERT CORNWELL IN ROME

FALCK, the leading private Italian steel maker, is cutting its dividend to ordinary shareholders from L160 to L100, after a sharp drop in net profits last year to L2.6bn ($2.6m) from L3.9bn. Sales climbed to L507bn from L445bn.

But in a significant new development, the group, still controlled by the Falck family, is planning to list on the Milan Stock Exchange minority holdings in two of its main subsidiaries—a sign of the increasing appeal of the thriving bourse as a means of raising new capital.

In fact, the group's results last year were rather worse than the net earnings figures alone would suggest, and confirm that it has shared the general problems of the international steel industry. The profit of L2.6bn would have been a loss of L5.4bn had it not been for L8bn of the extraordinary capital gains, resulting from dividend income from subsidiaries and sales from its portfolio of shares.

The poor trend continued into the first quarter of 1981. Sig. Bruno Falck, the company's president, told shareholders that output in the period dropped to 250,000 tonnes, down 20 per cent on the same 1980 months, while orders booked fell by a quarter to 236,000 tonnes.

The two subsidiaries to be partially opened up to public shareholding are Acciaieria di Bolzano and Cantieri Metallurgici Italiani (CMI), both profitable in 1980.

In the case of the first, 10 per cent of its equity will be made available, via a rights issue to existing Falck stockholders, while 20 per cent of CMI will go public, with a separate share issue channelled through a Falck financial offshoot.

ASEA and Harnischfeger in U.S. joint venture

BY WILLIAM DULLFORCE IN STOCKHOLM

ASEA, the Swedish electrical engineering group, is going into a joint venture with Harnischfeger Corporation of the U.S. to manufacture electrical equipment.

A new company, ASEA Industrial Systems, will be established in Wisconsin, with an initial capital of $7m, of which ASEA will subscribe 517 per cent.

A plant of 80,000 sq ft, with a workforce of 400, is planned. It will produce engineered industrial electrical systems and components, specialising in complex and heavy-duty variable speed drives and control products.

Mr. Percy Barnevik, ASEA's managing director, says the venture will improve the Swedish group's prospects in industrial automation, drive systems and electronics for the processing industry—fields in which it has so far made only marginal efforts on the U.S. market.

Earlier this year ASEA announced the establishment of an assembly and servicing facility for industrial robots in the U.S. It also owns half of RTE-ASEA Corporation, which supplies transformers to the American power industry.

Harnischfeger is a leading U.S. supplier of construction, mining and industrial material handling equipment. Its sales last year—ended October 1980—totalled $634m.

● Saba, the wholesale and retail trading group, reports a pre-tax loss of SKr 5m ($1.6m) for the period from November 1, 1979, to December 31, 1980. During the 1978-79 financial year the group registered a pre-tax profit of SKr 3m.

Dividends on equity and preference shares are to be passed.

No short-term recovery seen by Cockerill

By Our Financial Staff

BELGIUM'S troubled steel group, Cockerill, sees little hope of improvement in its financial situation in the near future.

Speaking at the annual meeting, Mr. Julien Charloer, the president and managing director, said the first half of 1981 would not show any noticeable improvement and the second half "may not be much better."

His remarks came as the Belgian Government met to attempt to reach a decision on the proposed merger between Cockerill and Hainault Sambre. The fusion is part of a last-ditch effort to save the country's ailing steel industry.

Cockerill suffered net losses totalling BFr 6.8bn ($191m) in 1980, nearly three times the 1979 losses. Sales this year are unlikely to improve, but Cockerill can only increase profitability by boosting production to at least 80 per cent of capacity from the present 70 per cent.

Improvement expected at several SCA units

BY WESTERLY CHRISTENER IN STOCKHOLM

SVENSKA CELLULOSA (SCA), the Swedish forest products, machinery and power group, expects that higher earnings this year in several units will not be sufficient to offset the downward trend in its forestry and forest industry sector and packaging companies.

An improvement is forecast for Mölnlycke, maker of household paper and hosptal products. In 1980 Mölnlycke raised its operating earnings by 23 per cent to SKr 97m ($20.6m).

An advance is seen for BAKAB, the power-generating subsidiary which had a 6 per cent drop in operating earnings last year to SKr 167m, because of lower run-off rates than normal in some Swedish rivers.

Management also expects an earnings improvement for Sunds Defibrator, the loss-making unit which puts out heavy equipment for pulp and paper mills. It inched closer to break-even in 1980.

The group's total investment programme for the four-year period 1979-82 envisages expenditure of SKr 2.9bn, based 80 per cent on self-financing. This breaks down to SKr 725m a year, compared with SKr 355m a year spent in the previous four-year investment period.

BASF dividend cut by DM 1

By Our Financial Staff

BASF, the West German chemical group, which earlier this month reported a decline of a quarter in 1980 profits before tax, is cutting its dividend by DM 1 to DM 7 a share.

Shareholders had been warned to expect a reduction, after the sharp increase of 1979, when BASF lifted its dividend by a third.

The company, which is one of the world's largest chemical groups, suffered a severe setback to earnings in the fourth quarter of 1980. It now reports that net profits on a worldwide basis for the whole of last year were DM 359m ($164m), down from DM 619m.

HBG sees steady results

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH contractor Hollandsche Beton Groep says in its annual report that developments in the first three months confirm earlier expectations that net profits in 1981 will be about the same as last year's Fl 51m ($21m).

The company reported a shift in the emphasis of its activities towards Africa, principally Nigeria, and away from the Middle East. African countries are now expanding their harbours, which is HBG's speciality, while the Middle Eastern countries are concentrating more on housing projects and urban development.

HBG's division involved in the construction of offices and public buildings sustained a considerable loss because capacity was under-used. It was not affected by the decline of the Dutch housing market, however, because it had limited the extent of its activities and refrained from using borrowed funds.

The building market declined throughout Europe in 1980, particularly in Britain and Belgium, and most profits were made elsewhere. HBG's British subsidiary, Edmund Nuttall Holdings, suffered a substantial loss owing to a fall in government orders and delays in payments for contracts.

HBG's net profit fell 11 per cent to Fl 52m in 1980, on sales which were 3 per cent higher at Fl 2.91bn ($1.2bn). It proposes an unchanged Fl 7 dividend per share.

Swiss insurer shows gain

By John Wicks in Zurich

ZURICH INSURANCE, Switzerland's biggest insurance group, has improved net profits for 1980 to SwFr 70.9m ($36m) from SwFr 62.8m. Dividends are being maintained at SwFr 220 per share and SwFr 22 per participation certificate.

The upturn in profits resulted largely from higher investment income since actual underwriting results deteriorated because of "a disproportionate increase in loss payments." Gross premium income rose 13.6 per cent to SwFr 3.2bn ($1.6bn).

Dai-Ichi Life in U.S. real estate move

By Richard C. Hanson in Tokyo

DAI-ICHI SEIMI Life Insurance Company, one of Japan's largest life insurance companies, expects to become the first of its kind to invest in real estate overseas.

Dai-Ichi has presented plans to the Ministry of Finance for its becoming a partner in a $45m development project in Minneapolis, Minnesota. The other partners are Kashima Construction, of Japan, and Boiseclair Corporation, a Minneapolis real estate developer.

The insurance company proposes to take a 30 per cent share in the 24,000 sq metre redevelopment project, which involves office space, housing, a supermarket, and a park. Dai-Ichi plans to form a subsidiary in the U.S. for the purpose.

This would be the first time an insurance company has been allowed by the Japanese authorities to invest in real estate overseas since the recommendations favouring such a move were presented to the authorities by a study group two years ago. Dai-Ichi expects to be given official permission but to be restricted from participating in the condominium sales part of the project. Life insurers are not permitted to enter such business in Japan.

Real estate investment abroad is being pursued as a way of diversifying the employment of insurance company funds. Insurance companies have already been allowed to invest in foreign securities.

OK Bazaars breaks the R1bn turnover barrier

BY OUR JOHANNESBURG CORRESPONDENT

OK BAZAARS has become the first South African retail group to announce a turnover of more than R1bn. In the year to March 31, OK increased its turnover by 39 per cent to R1.06bn ($1.3bn) from R762m in 1979-80. Pre-tax profits were 45 per cent up at R47m ($57.7m), compared with R32.4m.

Mr. Meyer Kahn, the managing director, attributed these record results to a combination of buoyant trading conditions, a good merchandise range, and control over operating costs. At the same time the group lifted its market share from 5.7 per cent to 7 per cent. In addition the 153-store group increased contribution to turnover and profits of high profit margin consumer durables and non-durables, at the expense of lower margin foodstuffs. Food sales contributed 56 per cent of turnover, against 58 per cent in the previous year. Food sales were 33 per cent higher, but sales of clothing were 39 per cent ahead, those of household goods 42 per cent, and furniture 60 per cent. Five new stores were opened, and an equal number of openings is planned for this year. A fifth hypermarket is due to be opened in 1982-83.

The management warns that, though consumer demand is expected to remain strong this year, its rate of growth will be lower than in the year just completed. However, the Board says the group will continue to compete successfully in a strongly contested market, and that it expects a satisfactory earnings increase this year. A total dividend of 120 cents has been declared from earnings of 230.3 cents a share. This compares with a dividend total of 85 cents and earnings of 159.1 cents in the year to March 31, 1980.

In Johannesburg yesterday, OK Bazaars' shares were traded at 1,925 cents, valuing the group at R218m. OK Bazaars is a 72 per cent-owned subsidiary of South African Brewers.

Metro Cash and Carry lifts pre-tax profit 40%

BY OUR JOHANNESBURG CORRESPONDENT

METRO CASH and Carry (Metcash), the fast-growing South African cash-and-carry wholesale chain, increased turnover by 34 per cent to R540.7m ($664m) in the 53 weeks to February 28, against R404.6m in the previous 52 weeks. Pre-tax profit was 40 per cent higher at R19.7m ($24.2m) compared with R14.1m in 1979-80.

The management expects the growth rate to be matched during the current year. Towards the end of the period Metcash acquired just over 50 per cent of Russell Holdings, the retail furniture chain, and 80 per cent of Dion, the discount retail chain. At the time of the acquisitions the management said that, had Russell and Dion been included for the full year, turnover would have exceeded R850m and should easily pass R1bn in 1981-82.

In addition, now that the Kirsh Industries group, which controls Metcash through Kimet, has won control of Union Wine, it is planned to add to the Metcash turnover by distributing wine and liquor.

A total dividend of 145 cents has been declared from earnings of 290.2 cents a share.

Tax rise hits earnings at San Miguel

By Leo Gonzaga in Manila

SALES REVENUE of San Miguel Corporation (SMC), the private manufacturing group in the Philippines with interests ranging from beer to packaging materials, rose by 16 per cent to 5.01bn pesos ($655m) in 1980 from 4.33bn pesos. Net profit, however, went up by only one per cent to 363.5m pesos from 359.87m because of a heavier tax on SMC products and rising operating costs. Higher interest rates and falling consumer purchasing power also had their effect on profits.

Small surplus for Ford Australia

By Our Sydney Correspondent

FORD AUSTRALIA, Australia's second largest motor vehicle manufacturer, achieved a profit of only A$283,000 (US$325,000) in 1980, compared with the previous year's earnings of A$16.2m. The result is, nevertheless, regarded as satisfactory for a company in an industry which is plagued with problems.

Ford's biggest competitor in the local market, General Motors-Holden's, incurred a loss of A$129m in the same period—the biggest ever by a local car manufacturer. Ford's pre-tax profit of A$446,000, against A$20m, was the lowest recorded by the company since 1965, when it made A$98,000.

Sales in 1980 were A$878.8m, the second highest in the company's history—but A$72.5m lower than the 1979 record level of A$951.3m.

JAPANESE SUPERMARKET CHAINS

Seiyu operating result setback

BY YOKO SHIBATA IN TOKYO

SEIYU STORES, Japan's third largest supermarket chain operator, has suffered a setback in operating profits for the first time in its 34-year history although other leading supermarket groups have achieved double figure profit growth in the year to February.

Supermarket operators have all had to face a slackness in sales of summer clothing caused by the cold summer and utility price rises in 1980-81, but most have achieved their targets by measures such as cutting heating costs, and by a recovery in demand for winter clothing.

Sales at Seiyu Stores increased by 6.2 per cent to Y559.43bn ($2.6bn) but operating profits declined by 6.1 per cent to 6.41bn ($30m). Net profits were Y3.55bn, up 5.2 per cent helped by a 120.5 per cent boost in the second half.

The company opened seven new stores in the year, bringing the total to 149. However, sales of fresh food stuffs and household goods did not increase as expected.

Existing stores, however, lifted sales by 2.6 per cent, and Seiyu's gross profit margin increased by 0.1 percentage points to 21.7 per cent.

The group's debt increased in the year resulting in higher net interest payments and this squeezed operating profits considerably.

Seiyu plans to open 10 new stores in 1981-82 and expects sales to reach Y613bn, up 9.6 per cent over 1980-81; operating profits of Y7.5bn, up 17 per cent; and net profits of Y3.8bn, up 7.9 per cent.

RESULTS COMPARED

	Sales Ybn	Change %	Operating profits Ybn	Operating profits Change %	Net profits Ybn	Net profits Change %
Dai'ei	1,133.96	+10.5	20.05	+11.2	9.51	+4.8
Ito Yokado	627.97	+20.8	22.97	+11.6	11.71	+8.9
Seiyu Stores	559.43	+6.2	6.41	−6.1	3.52	+5.2
Jusco	553.70	+10.2	14.64	+16.1	8.03	+8.1
Nichii	455.40	+14.7	13.67	+19.9	7.04	+11.3
Uny	332.51	+14.1	12.07	+22.2	5.61	+19.8
Nagasakiya	247.60	+4.3	7.87	+15.2	3.86	+4.6

Loan stock rights issue from United Engineers

BY WONG SULONG IN KUALA LUMPUR

UNITED ENGINEERS BERHAD is to make a rights issue of convertible unsecured loan stock to raise 40m ringgit (US$17m) to reduce its borrowings and increase its working capital.

The company will issue at par four units of loan stock for every five ordinary shares of 1 ringgit each. The loan stock, carrying a 10 per cent interest rate, will be convertible into ordinary shares during September to December between 1982 and 1986 at a fixed rate of 1.6 ringgit per share.

United Engineers of Singapore, which has provided much of the working capital for the Malaysian company, and which holds 44 per cent of United Engineers Berhad's capital, has said it would subscribe for its full entitlement.

United Engineers Berhad said certain major Bumiputra (Malay) institutional shareholders were also expected to subscribe to their full entitlement as well as apply for excess loan stock units.

This is the second cash call by United Engineers Berhad in less than 18 months. Early last year it raised 35m ringgit through a rights and special share issue to Bumiputras to reduce its borrowings.

Apart from engaging in major building projects, United Engineering Berhad distributes tractors from International Harvester, and plans to build an assembly plant for International Harvester machines.

WORLD STOCK MARKETS

NEW YORK

Stock	April 27	April 24
ACF Industries	47½	47¾
AMF	25⅝	25¼
AM Intl	14⅛	14
ARA	37	37¼
ASA	52½	52¾
AVX Corp	35	34½
Abbott Labs	59	59
Acme Cleve	26¾	25
Adobe Oil & Gas	36¼	35¼
Aetna Life & Cas	36½	36⅜
Ahmanson (H. F.)	18¼	18⅝
Air Prod & Chem	45¾	46
Akzona	13⅝	13⅛
Albany Int.	32⅝	35⅛
Alberto-Culv	14⅞	15⅝
Albertson's	24¾	24½
Alcan Aluminium	35⅞	35⅞
Alco Standard	40	40⅜
Alegheny Ludm.	51	51⅜
Allied Corp.	52⅛	51¾
Allied Stores	27	27¼
Allis-Chalmers	31¼	31¼
Alpha Portd	14¼	13⅞
Alcoa	35½	35½
Amal. Sugar	35⅛	37¼
Amax	56¼	53⅝
Amerada Hess	31⅝	31⅜
Am. Airlines	18⅞	19¼
Am. Brands	81½	81
Am. Broadcast'g	34⅛	33¾
Am. Can	42¼	42¾
Am. Cyanamid	35	33¾
Am. Elect. Pwr.	16¾	16¾

Stock	April 27	April 24
Columbia Gas	35⅝	36⅝
Columbia Pict	42½	43⅛
Combined Int	21½	21⅝
Combustn. Eng	45¼	44½
Cmwlth.Edison	18¾	18⅝
Comm. Satellite	49⅝	50¼
Comp. Science	23	25⅛
Cone Mills	35⅝	35⅛
Conn Gen Inn	52⅛	51½
Conoco	48⅝	49¾
Conrac	21¼	21⅛
Cons Edison	28¼	27¾
Cons Foods	30⅛	30⅜
Cons Freight	39¾	39⅞
Cons Nat Gas	44½	45
Consumer Power	17¾	18
Cont Air Lines	10⅞	10¾
Conti Corp	27⅝	27½
Conti Group	37½	37
Conti Illinois	35	35½
Conti Telep	17⅝	17⅝
Control Data	77¾	78½
Cooper Inds	50¼	49⅞
Coors Adolph	14¾	14¾
Copeland	37⅝	37⅜
Copperweld	32	32¾
Corning Glass	71	70⅞
Corroon Black	24⅞	25
Cox Broadcast'g	66½	67½
Crane	41¼	42½
Crocker Nat	37½	37½
Crown Cork	34⅞	34¾
Crown Zell	43⅜	42¼

Dow off 5.05 at mid-session

STOCKS WERE broadly lower on Wall Street in heavy trading by mid-session but trimming their losses as investor worries about rising interest rates eased slightly.

The Dow Jones industrial average was off 5.05 at 1,019 at 1 pm. Declines paced advances five-to-two on volume of 35m shares (26m). The NYSE All Common Index was off 0.59 at 77.64.

Rates rose in the credit market early yesterday but the Federal Reserve added reserves to the system, alleviating some concern that it was attempting to push rates higher.

However, **Marine Midland Bank** raised its broker loan rate to 17½ per cent from 16¼ per cent. Broker rate moves often precede prime rate changes. **Citibank** held its prime rate at 17½ per cent.

Analysts also said the rate worries had greater impact because the market was due for a pullback after recent gains.

Strong Drug, Computer and Defence issues were hard hit. Oils were mixed. **National Semiconductor** eased $⅝ to $34⅜. **Digital Equipment** $2½ to $103½. **Storage Technology** $1½ to $29½ and **Computervision** $3⅞ to $84⅞.

Newmont Mining climbed $4½ to $66¾. **Consolidated Gold Fields** of South Africa bought 7 per cent of Newmont for £45m and may buy more than 50 per cent. The news aided other mining issues. **Engelhard Minerals** added $1 to $42½. **Amax Inc** $½ to $56¾ and **Phelps Dodge** $1¼ to $43½.

Fisher Scientific climbed $3¾ to $41¾. It rejected a merger offer from **Whittaker Corporation** in a share-for-share exchange of stock. Whittaker eased $½ to $47¾.

Volume leader **Great Basins Petroleum** slipped $½ to $12½. It rose $⅜ on Monday on news that United Canso will buy three of Great Basin's Canadian units for C$164.7m.

Closing prices for North America were not available for this edition.

Active **Wang Laboratories "B"** dropped $1½ to $38⅜. It plans an offering of $50m of convertible Eurobonds with a coupon of 8¾ to 9 per cent.

THE AMERICAN SE Market Value index lost 3.73 to 357.54 on volume of 3.22m shares (3.35m).

Canada

Markets extended Monday's decline in moderate trading. The Toronto Composite Index fell 9.4 to 2,335.2 at midday.

The Oil index lost 38.9 to 4,437.4 but Golds moved up 0.8 to 4,299.7. The Metals and Minerals Index was off 6.8 at 2,347.6.

Gulf Canada, leading the active list, was off ⅜ at C$25½ on 65,635 shares.

Suncor Incorporated preferred lost ⅛ to C$24⅞. It reported sharply lower first quarter earnings. **Macmillan Bloedel**, whose first quarter earnings also fell, was unchanged at C$42. **Versatile Corporation**, with higher earnings and an increased dividend, gained ¼ to C$17¾.

Tokyo

Prices closed higher in moderate trading led by high-priced Electricals and Blue Chips.

The Nikkei Dow Jones Index gained 35.78 points to 7,623.81 at the end of the day. This was the first time the Dow index had exceeded the 7,600 level.

Turnover in the first section came to about 430m shares (380m). Trading was moderate because of a series of holidays that begins today.

Large-capital were firm throughout the day despite some profit-taking selling pressure in the afternoon session.

TDK Electronics gained Y220 to Y4,790, **Sony** Y150 to Y4,190, **Olympus** Y100 to Y1,470, **Fuji Photo** Y30 to Y1,480, **Toyota Motor** Y40 to Y1,050, **Honda** Y22 to Y920, **Takeda Pharmaceutical** Y38 to Y908 and **Yamanouchi** Y60 to Y1,250.

Steels, Heavy Electric Machines and Shipbuildings closed higher after wide fluctuations with **Nippon Steel** up Y4 to Y196, **Mitsubishi Elec** Y6 to Y331, **Kawasaki Heavy Ind** Y3 to Y226, but **Toshiba** receded Y5 to Y355 and **Hitachi** ended unchanged at Y530.

Communications, Synthetic Fibres, *Oils*, *Coals* and *Machines* were also higher with **Matsushita Communication** up Y130 to Y2,970, **Mitsubishi Rayon** Y18 to Y269, **Nippon Oil** Y20 to Y1,080 and **Okuma Machinery** Y15 to Y795.

Hong Kong

Shares closed higher for the third straight session although below the day's highs in fairly active trading. The Hang Seng index gained 13.77 to 1,442.08.

The market opened firm and the rising trend of shares in London prompted buying. It eased in the afternoon on profit-taking.

Among leaders, **Jardine Matheson** rose 50 cents to HK$20.50 and **Swire Pacific "A"** 40 to HK$15.20, while **Cheung Kong** trading closed at HK$26.50 against Friday's HK$34 close.

Hong Kong Bank gained 20 cents to HK$15.10, **Hong Kong Electric** 15 to HK$8.20

Singapore

Share prices closed slightly higher on some profit-taking after a firm opening in very active trading. The Straits Times Index was unchanged at 873.66.

Among Industrials and Finances, **Perlis Plantations**, **Taiping Textiles** and **Tat Lee Bank** gained between 22 and 46 cents. Elsewhere, **Genting BHD**, *Magnum Corporation*, **Sime Darby** and **Public Bank** rose between 10 and 20 cents.

Australia

Prices continued to weaken, particularly in resource issues, against a background of high domestic and overseas interest rates, a bearish trend on world gold markets and easing spot oil prices.

The All Ordinaries index eased 8.6 to 703.6, the oil index 38.7 to 903.7 and the industrial index 3.6 to 748.9.

CSR was one of the few leaders to rise, adding 20 cents to A$6.90 following its optimistic quarterly report comments on its shale oil and coal interests.

Among Oils, **Santos** fell 40 cents to A$6.50 **Magellan** 40 to A$7.80, **Bridge** 40 to A$6.40, **Ampol Ex** 15 to A$4.35 and **Woodside** eight to A$2.38.

BHP eased 30 to A$14, **WMC** 12 to A$5.18, **CRA** 15 to A$4.45, **Hamersley** 30 to *A$4.20*, **Ampol** four to A$1.87 and **Woolworths** two to A$2.26. **Bank of NSW** and **MIM** were steady on A$3.55 and A$4.75 respectively.

Germany

Profit-takers moved in, depressing leading share prices and pushing the Commerzbank index down 1.40 to 726.30 from Monday's year's high.

Deutsche Bank rights traded late in the session at DM 7.65, a little under par, with the ex-rights shares down 7 at DM 290.

Deutsche Babcock fell DM 1 to DM 121 after announcing a slight first-half turnover increase. **GHH** was unchanged at DM 212.

Karstadt was also steady at DM 201 in otherwise lower Stores, and **Daimler Benz** off DM 1.5 at DM 306.5 led Motors lower.

In moderate turnover small gains against the trend were registered by Chemicals.

Degussa posted a DM 3 rise after a 28 per cent rise in sales during the first half of the current fiscal year, announced at its annual shareholders meeting.

In mixed Electricals, **Brown Boveri** posted the sharpest fall, closing DM 5.50 lower at DM 271. **Varta** rose DM 0.50 but **AEG** slipped DM 0.50. **Siemens** closed the session DM 0.30 lower.

Steels were lower with **Krupp Stahl** falling DM 2.30, **Mannesmann** off DM 1.30 at DM 144.7 while **Thyssen** and **Hoescht** each eased DM 0.40.

On the Domestic Bond market public authority issues eased by as much as 0.70 with the Bundesbank buying DM 4.9m nominal of public paper.

CANADA

Stock	April 27	April 24
Abitibi	26	25½
Agnico Eagle	13⅜	13
Alcan Alumin	42¾	42⅝
Algoma Steel	48½	48
Asbestos	42½	48⅛

BELGIUM (continued)

April 28	Price Frs.	+ or —
Petrofina	4,640	+120
Royale Belge	4,250	....
Soc Gen Banq.	2,145	....
Soc Gen Belge	1,044	—18
Sofina	2,935	+90
Solvay	2,250	+45

HOLLAND

April 28	Price Fls.	+ or —
ACF Holding	85.5	+0.7
Ahold	69	+0.1
AKZO	24.4	—0.1
ABN	294	+1
AMEV	91.1	—0.4
AMRO	57.9	+0.5

AUSTRALIA

April 28	Price Aust. $	+ or —
ANZ Group	4.78	+0.03
Acrow Aust	1.25	....
Allstate Expl	1.00	—0.05
Ampol Pet	1.87	—0.04
Assoc. Pulp Pap.	2.5	....
Aud'mco	0.20	....
Aust. Cons. Ind.	2.13	—0.01

JAPAN (continued)

April 28	Price Yen	+ or —
Kubota	350	....
Kumgaai	370	—2
Kyoto Ceramic	3,800	+30
Lion	428	+2
Maeda Cons.	599	+1
Makita	900	—5
Marubeni	372	—1

N.Y.S.E. ALL COMMON

Apr. 27	Apr. 24	Apr. 23	Apr. 22	1981 High	1981 Low
78.23	78.05	77.38	77.41	79.14 (6/1)	72.45 (20/2)

Rises and Falls	Apr. 27	Apr. 24	Apr. 23
Issues Traded	1,918	1,912	1,918
Rises	789	950	847
Falls	771	587	689
Unchanged	358	375	382
New Highs	—	146	156
New Lows	—	20	32

MONTREAL

	Apr. 27	Apr. 24	Apr. 23	Apr. 22	1981 High	1981 Low
Industrials	391.94	392.56	394.21	396.67	399.53 (10/4)	356.26 (20/2)
Combined	368.17	368.51	369.25	370.22	375.88 (2/4)	359.34 (20/2)
TORONTO Composite	2344.6	2352.2	2350.44	2350.40	2378.9 (10/4)	2161.4 (20/2)

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Sony	651,300	19⅝	+ ⅜	AM Express	396,800	44⅞	− ⅛
IBM	858,600	61⅛	+ ½	Pfizer	383,900	53⅛	+1⅛
Sears Roebuck	480,000	20½	—	Amer Cyan	362,200	35	+1⅛
LTV	433,400	24½	+ ⅛	St. Oil Ind	321,900	57	−1⅛
Transworld	406,400	27	+ ½	Squibb	319,300	36⅞	+1⅛

COMMODITIES AND AGRICULTURE

U.S. opposes cotton pact plans

BY BRIJ KHINDARIA IN GENEVA

THE U.S. has told a 50-nation conference aimed at creating an international cotton agreement that it cannot yet endorse any accord, and particularly one which might interfere with world free market prices.

The conference went into closed session yesterday on U.S. insistence after the Nordic countries—Finland, Norway and Sweden—proposed that the planned International Cotton Agreement should leave the door open for price stabilisation measures.

An Unctad report last month found that a group of 15 multinational companies controls nearly 90 per cent of the world's $6.1bn cotton trade, while developing countries which produce 80 per cent of the world's cotton have very little control over prices. Producers receive only 2 per cent to 15 per cent of the final price of goods made from cotton while about 40 per cent goes to retailers.

The report has provided fresh fuel for Third World criticism of the stand of consumers, particularly the U.S., the Common Market and Japan. The situation is complicated by the fact that the U.S. is also the world's largest single exporter of cotton accounting for 27 per cent of net exports.

The main Third World exporters are working together in the talks as the "Izmir Group," composed of 18 countries that make up 33 per cent of world cotton exports. That group is backed by the Soviet Union which provides 20 per cent of world exports. Japan is the largest single importer with 20 per cent of the 20m bales (4.25m tonnes) traded annually.

Five conferences to discuss a possible cotton agreement have already been held in the past four years without coming any closer to consensus on the kind of agreement worth seeking. The U.S. has now come with a disconcerting message for Third World producers as well as its industrialised country colleagues, saying it is still undecided whether an agreement is needed at all.

That is a step back from the position taken by former President Jimmy Carter's team at last year's session. The U.S. then said it favoured an agreement provided that it did not include buffer stock measures to influence prices and acted only as a forum for consultations between producers and consumers.

Introducing the Nordic proposal, Mr. Bjorn Eklom of Finland said he felt the conference would never accept an agreement which "totally excludes market stabilisation measures." Emphasizing the need for flexibility, he suggested the creation of an accord including "a system of consultations in specified market instability situations." The consultations would be triggered when price fluctuations were judged to be excessive according to criteria agreed beforehand. The aim would be to draw up guidelines for action which member countries would be asked to follow voluntarily. Measures could include accumulation of stocks and production or export controls to bolster falling prices.

Mr. Yaman Baskut, speaking for the Izmir Group, said those countries would prefer an agreement built around a buffer stock mechanism which would buy cotton for storage at times of falling prices and sell at times of rising prices to keep prices within an agreed range. The Izmir Group met in Mexico last month to co-ordinate its position for the conference here ending on May 1.

The Soviet Union has also tabled a set of proposals along the lines of those from the Izmir Group. But the Russians prefer that stocks should be collected and held nationally instead of by any new international organisation.

UK lamb sales to EEC slashed

By Richard Mooney

BRITISH LAMB exports to other EEC countries have slowed to a trickle as a result of the EEC sheepmeat regime. The Association of British Abattoir Owners, whose members account for around 80 per cent of sheepmeat exports in normal times, estimated yesterday that the total had shrunk from around 45,000 carcases a week before the regime came into effect to a mere 1,500.

Under the regime, British lamb producers receive a deficiency payment equal to the difference between the market price and the EEC guarantee level. But if the meat is subsequently exported to an EEC country, the deficiency payment has to be repaid to the Common Market farm fund. This means that exporters, if they are to make a profit, need to sell at the guarantee level, which is substantially higher than the price they needed to charge prior to the regime when smaller British deficiency payments were not "clawed back."

Until recently exporters had tried to keep the trade going in spite of making losses, but the Association warned at the beginning of this month that its members could afford to do this no longer and that exports would cease if nothing was done to abate the clawback by April 21.

Nothing has been done and most exporters have stopped selling to the EEC. Among Association members' shipments are only being made to honour outstanding contracts.

Sugar prices fall further

By Our Commodities Staff

A FURTHER sharp decline on the world sugar market took values on the London futures market down to their lowest levels for over a year yesterday. After falling more than £12 on Monday the August position slipped another £8.625 to reach £184.225 a tonne. This compares with a peak of £441 a tonne reached last October.

In the absence of any new fundamental news dealers continued to attribute the decline to lack of consumer demand. They said the market had shrugged off reports of damage to the European beet crop following the recent cold spell.

MARKET PROFILE: COFFEE

Export quota scheme under pressure

BY ROY HODSON

SOME of the world's best meteorologists are working on long-range forecasts for the Brazilian winter. The £5bn a year world coffee trade is anxiously awaiting their words.

From now until mid-August the coffee markets of both hemispheres will be dominated by the prospect of cold air creeping northwards from the polar ice cap to cause a frost over the coffee-producing areas of southern Brazil. This year Brazil's crop is expected to be at the bumper level of at least 30m bags (60 kilos each) which is enough coffee to supply importing nations for six months.

Havoc

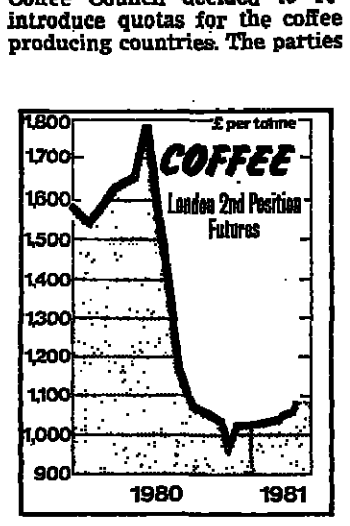
A single severe frost can ruin the Brazilian crop. In doing so it would cause havoc in the coffee trade everywhere, and the inevitable end-product of a severely disrupted market would be a higher price for every cup of coffee drunk.

Of course some other producers whose warehouses are at present uncomfortably full of coffee would at least indulge the passing thought that it's an ill wind that blows no man any good. But even their good fortune would be tempered by the knowledge that disaster in Brazil inevitably erodes the stability of the coffee trade as a whole.

After the last severe frost struck Brazil in 1975, coffee prices soared from £400 a tonne to more than £4,000 a tonne. The knock-on effects of that market upheaval were such that the trade is only now settling down again with prices relatively stable at round £1,100 a tonne.

The last thing coffee processors want this year is another severe Brazilian frost. The risk is one of two factors that will have a dominant influence upon the coffee markets in coming months. The other is the nervous tension being generated among producing countries and consuming countries alike by a fresh attempt to control the coffee trade.

Under a new international coffee agreement negotiated last October, the International Coffee Council decided to re-introduce quotas for the coffee producing countries. The parties



to the agreement include 44 exporting countries representing all but 0.5 per cent of world production and 25 importing countries who take 90 per cent of the coffee exported.

The first effect of the quota system has been to stabilise coffee prices to a quite remarkable degree. The speculative element has been almost squeezed out of the New York and London coffee terminal markets in recent months. Their daily trading volumes have also, incidentally, declined by about 35 per cent as fewer companies in the business of processing and retailing coffee have found it necessary to turn to the markets as a hedge against future price movements.

World coffee supply this year is expected to exceed demand by a matter of some 3m bags on a total exportable production of 60m bags. But there is already a surplus of coffee in the world and it could reach serious levels within the next year if that cold air stays away from Brazil.

Thus, pressures for lower coffee prices will continue to be felt. The New York market has been trading at around $1.20 a pound. Market forecasters are prophesying it could come down to below $1 a pound.

Coffee production becomes an economic nonsense to some of the higher-cost producers when prices fall much below $1 a pound.

The international quota agreement is already under considerable strain. On the one side big coffee roasters would like to see lower coffee prices in the hope they may galvanise some life into what has become a sluggish world market. On the other side producers are either embarrassed by the trend towards lower prices, or by heavy stocks of unsold coffee, or by both factors.

When the International Coffee Organisation hosts the annual meeting of producers and consumers in London in September there will be tremendous pressure for higher quotas from some producing countries who believe they are suffering under the present quota agreement. Colombia, for instance, has 14m bags available this year and a quota of 8.5m bags. Her storage facilities are limited. Indonesia has a 5m bags exportable output and a 2.8m bags quota. India has 2m bags available and a 1m bags quota.

Test for system

The meeting will be a testing time for the quota system. The likelihood is that it will be accepted as the best system available, however, and will creak on into a second year.

But there is an alternative. It is being actively discussed among coffee men and it could become a runner if prices continue to weaken. It is the creation of an international buffer stock. Opinions are sharply divided about the usefulness of such a stock, or whether it could be managed effectively. Good warehousing in temperate countries would be needed for storing the green coffee and it would require heavy financial support. Its supporters would look to the UN for that.

Anti-dumping duty on potato granules

By Our Own Correspondent

THE COMMON MARKET Commission in Brussels yesterday announced action to save British potato producers from cheap Canadian imports by imposing anti-dumping duties on sales of Canadian potato granules.

This follows a complaint against Canada by the European Union of the Potato Processing Industry on behalf of the British, Dutch, and German manufacturers who account for total Community production of potato granules.

Ninety per cent of Canadian potato granule exports to the EEC go to the UK, and the Commission says low prices have continually undercut UK producers' prices by up to 26 per cent during a nine-month investigation.

The result has been that British manufacturers' sales have been restricted to below 1975 levels, leading to considerably increased losses in 1980 compared with 1979 and redundancies among companies.

The anti-dumping duty, which comes into force immediately, is a provisional one, lasting for four months or until permanent measures are approved by EEC governments.

Washington talks on U.S. tin stock contribution

BY JOHN EDWARDS, COMMODITIES EDITOR

THE International Tin Council deputy buffer stock manager, Bernard Engel, has gone to Washington to discuss details of the U.S. contribution to the buffer stock, it was confirmed yesterday.

The U.S. decided a long time ago to make its voluntary contribution to the buffer stock under the provisions of the fifth International Tin Agreement in the form of surplus tin from its strategic stockpile. All other contributions to the buffer stock in the past have been made in cash equivalent to agreed tonnages of metal. So the U.S. plan to contribute actual tin has caused considerable problems. After lengthy discussions the amount to be contributed was fixed at 1,500 long tons.

But the U.S. might object on extra tin is being received at a time when there is a world surplus and prices have been driven down in the lower price range of the International Tin Agreement when the buffer stock has to be a net buyer of tin to help lift values.

It has been suggested that the buffer stock might be able to arrange a swap that would boost prices. The idea is that the buffer stock would sell some of the U.S. stockpile tin to dealers for consumption in the U.S. and take in return warrants for tin held in the London Metal Exchange warehouses with a price adjustment. This would reduce the surplus of supplies currently depressing London values, and also mean that the U.S. contribution to the buffer stock would be converted partially into cash, thus becoming elegible for any profits made from dealings and interest earned.

But the U.S. might object on the grounds that its tin was being sold in the lower price range, when it would normally be sold in the upper price range.

However, at the moment the U.S. is continuing to offer stockpile tin for sale at current market prices, although it is finding few takers.

Tin values rallied on the London Metal Exchange yesterday, with the cash price gaining £52.5 to £5,937.5 a tonne. The market had previously dropped for the past 10 trading days in succession. Dealers said there was increased buying interest, in spite of a fall in the Penang market overnight to 29.31 ringgits a kilo. The lower price range is 27.27 to 30.01 ringgits per kilo. It is not thought likely that the buffer stock is operating at this point, especially with the U.S. contribution problems to sort out.

Other base metal markets were generally easier. Copper cash wirebars eased by £5.25 to £834.5 a tonne following news that talks seeking an end to the strike at the El Teniente mine in Chile had been brought forward a day.

Cash zinc lost £8 to £378 a tonne, in spite of a threatened strike at the big Cominco Trail smelter. Lead fell, too, following news that negotiations were continuing to avert a stoppage at St. Joe's lead smelter in Missouri when labour contracts expire on April 30. Negotiations with workers at St. Joe's mining and milling facilities in Missouri, who went on strike from April 1, remain deadlocked. But if the smelter strike is averted, this could provide a formula for settling the other stoppage.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Easier on the London Metal Exchange on news that talks aimed at ending the El Teniente strike are scheduled for Wednesday and that the strike in Peru is off indefinitely. Forward metal opened at £858 and hardened to £860 before dipping to close the late Kerb at £852.5. Turnover: 31,600 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	834-.5	—8	834-5	—5.25
3 months	854.5-5	—7.5	855-.5	—5.25
Settlem't	834.5	—8	—	......
Cathodes				
Cash	826-.5	—8.5	826.5-7	—8.25
3 months	843-4	—8	843.5-4	—5.5
Settlem't	826.5	—8.5	—	......
U.S. Prod.	—		*85.9	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £834, three months £856, 55.5, 55, 54.5. Cathodes, cash £828, 27, 27.5, 26.5. Kerb: Wirebars, three months £854.5, 54, 54.5. Afternoon: Wirebars, three months £855, 55.5, 56, 55.5, 55. Cathodes, cash £826.5, three months £844, 43.5. Kerb: Wirebars, three months £854.5, 54, 53.5, 53, 52.5, 52, 52.5, 53.

TIN—Firmer as good U.S., European and Japanese support was noted around the £6,000 level. Forward metal moved ahead to £6,020 in the pre-market and to £6,040 in the morning

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5910-20	—27.5	5935-40	—52.5
3 months	6015-20	—20	6010-25	+35
Settlem't	5920	—30	—	......
Standard				
Cash	5910-20	—30	5935-40	+52.5
3 months	6015-20	—20	6010-25	+35
Settlem't	5920	—30	—	......
Straits E.	‡$29.31	—0.48	—	......
New York	—	......		

Rings before easing back to close the late Kerb at £6,025. Turnover: 710 tonnes.

Morning: Standard, cash £5,910, three months £6,030, 25, 20, 10, 6,000, 6,005, 10, 20, 15, 20. Kerb: Standard, three months £6,015, 20. Afternoon: Standard, cash £5,935, three months £6,040, 35, 30. Kerb: Standard, three months £6,025.

LEAD—Lower as speculative selling depressed forward metal from £358 to £348 before a close of £349.5 on the late Kerb. Turnover: 15,775 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	343-.5	—13	343.75-4	—5.12
3 months	349-.5	—14	350-.5	—5.25
S'ment	343.5	—13	—	......
U.S. Spot	—	......	*38	......

Morning: Cash £342, 43, 43.5, 43. Three months £353, 51, 50, 49, 48, 48.5, 49, 49.5, 49. Kerb: Three months £350, 49.5. Afternoon: Cash £343.75, three months £350, 50.5, 50, 50.25. Kerb: Three months £350, 49.5.

ZINC—Gave ground on hedge and speculative selling which lowered forward metal from £398 to £387 by the close of the late Kerb. Turnover: 12,775 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	380-1	—7.75	377.5-8.5	—8
3 months	390.5-1	—7.5	387.5-8.5	—8.75
S'ment	381	—7.5	—	......
Primw'ts	—	......	*43.5	......

Morning: Three months £391, 90, 89, 88, 89, 88.5, 89, 89.5, 90, 91, 90.5. Kerb: Three months £390, 90.5, 91. Afternoon: Three months £391, 90, 89, 88.5, 88. Kerb: Three months £388, 87, 87.5, 87.

ALUMINIUM—Firmer owing to the weakness of sterling and speculative buying which lifted forward metal to £629.75 by the close of the late Kerb. Turnover: 9,800 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	605-.5	+5.75	610-11.5	+10.5
3 months	624.5-5	+5.25	630-.5	+8.75

Morning: Cash £605, three months £623, 23.5, 24, 24.5. Kerb: Three months £624, 25. Afternoon: Cash £607, three months £627, 27.5, 28, 29, 30. Kerb: Three months £631, 30, 29, 28, 29.5, 30.

NICKEL—Little changed in quiet trading with forward metal closing the late Kerb at £2,947.5. Turnover: 456 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2895-900	—25	2910-5	—2.5
3 months	2940-5	—28	2945-50	—15.5

Morning: Cash £2,900, 2,895, three months £2,955, 50, 40. Kerb: Three months £2,940. Afternoon: Three months £2,950, 45.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 0.7p an ounce higher for spot delivery in the London bullion market yesterday at 518.5p. U.S. equivalents of the fixing levels were: spot $11.179, down 5.2c; three-month $11.627, down 6.4c; six-month $12.102, down 5.3c; and 12-month $12.96, down 5.4c. The metal opened at 516-523p ($11.15-11.30) and closed at 514-521p ($11.10-11.25).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	518.50p	+0.7	518.0p	+1.5
3 months	533.75p	+0.05	533.25p	+1.5
6 months	550.20p	+0.2	—	......
12 months	582.20p	+0.2	—	......

LME—Turnover 221 (180) lots of 10,000 ozs. Morning: cash 518; three months 535, 33.5, 33, 33.5. Kerb: three months 533.5. Afternoon: three months 534, 35, 34.5, 34, 33.5, 33. Kerb: three months 532, 33.

COCOA

Futures remained steady in quiet conditions until renewed jobber and Commission House selling during late dealings caused prices to close at the lows. Actuals business was largely neglected although manufacturers did continue to price fix existing contracts, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
May	928-929	—3.0	936-929
July	950-951	—3.0	961-950
Sept.	970-971	—3.0	980-970
Dec.	993-994	—2.0	1002-993
March	1015-1016	—3.0	1022-1015
May	1031-1034	—3.0	1040-1034
July	1050-1051	—3.0	1051-1050

Sales: 2,305 (2,525) lots of 10 tonnes.

ICCO Futures—Daily price for April 25: unquoted.

COFFEE

Early follow through buying, mainly from Commission Houses provided for a steadier market during a fairly active session, reports Drexel Burnham Lambert. Fundamental development was lacking and physical business continued to be extremely quite.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1078-80	......	1085-78
July	1081-82	—2.0	1089-80
Sept.	1083-84	......	1088-81
Nov.	1075-77	—1.0	1082-74
Jan	1066-69	—2.5	1073-70
March	1060-65	......	1063-60
May	1050-55	—5.5	1060

Sales: 2,388 (2,778) lots of 5 tonnes.

ICO Indicator prices for April 27: (U.S. cents per pound): Other Mild Arabicas 131.00 (130.00); Robustas ICA 1976 113.00 (112.25); ICA 1968 113.25 (112.50). Unwashed Arabicas unquoted.

GAS OIL FUTURES

The market opened $2 lower and immediately fell as heavy selling caused by the depressed state of physicals touched off stop-loss selling. A late morning rally was short-lived and the market closed near the lows, reports Premier Man.

Month	Yesterd'ys close	+ or —	Business Done
	$ U.S. per tonne		
June	272.75	—5.75	275.80-72.00
July	273.25	—7.75	279.50-75.00
August	276.75	—9.75	284.00-78.50
September	283.00	—9.50	288.00-84.00
October	288.50	—9.50	294.00-88.50
November	295.00	—9.00	300.00-95.00
December	301.00	—8.00	306.50-01.00
January	305.50	—8.25	310.50-05.50
February	312.00	—5.50	315.00-12.00

Turnover: 1,372 (838) lots of 100 tonnes.

GRAINS

Old crop wheat opened 25p higher. Trade was quiet and despite a slight rally after lunch values closed 10p down on May and 10p up on July. May barley also opened 25p up. Values held about steady to close 10p up in thin volume. New crops opened 5p higher. Wheat saw good buying interest and closed steady 5-10p higher. Barley saw little trade and closed 5.15p down, hedge-selling dipping values, Acli reports.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterday close	+ or —
May	116.75	—0.1	100.00	+0.1
July	118.55	+0.1	—	—
Sep	102.90	+0.1	95.80	—0.1
Nov	106.65	+0.05	99.50	—0.15
Jan	110.45	+0.05	103.10	—0.15
Mar	114.20	+0.05	106.50	—0.05

Business done—Wheat: May 116.95-116.75, July 118.60-118.55, Sept. 103.00-102.75, Nov. 106.70-106.55, Jan. 110.65-110.35, March 114.40-114.10. Sales: 137 lots of 100 tonnes. Barley: May 100.05-99.55, Sept. 95.90 one trade, Nov. 99.65-99.45, Jan. 103.15-103.05, March 106.50 one trade. Sales: 41 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, May 107.80, June 107.45, July 107.15, Aug. 106.80 transhipment East Coast sellers. U.S. Hard Winter, 13½ per cent, May 109.20, June 106.10, July 106.65, Aug. 107.70 transhipment East Coast sellers. English Feed fob May 120, June 122, Nov. 110.50 sellers East Coast, Nov. 111 Bristol Channel. Maize: French May 127.00 transhipment East Coast sellers. South African Yellow May 89.00 sellers. Barley: English Feed fob May and June 103.75 East Coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: W. Midlands 119.50. Feed barley: S. East 98.70, S. West 100.50, W. Mids., 99.50, N. West 100.10. The UK Monetary Coefficient for the week beginning Monday May 4 (based on HGCA calculations using five days exchange rates) is expected to remain unchanged.

RUBBER

The London physical market opened steadier, with little interest throughout the day, closing quiet. Lewis and Peat reported a fob May price for No. 1 RSS in Kuala Lumpur of 276.0 (270.0) cents a kg and SMR at 248.5 (245.5).

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
June	57.00-58.00	57.60-58.20	—
July	58.80-58.90	—	58.70-58.10
Jly-Sept	58.90-60.10	58.20-58.30	60.40-59.90
Oct-Dec	65.10-63.20	62.20-62.40	65.60-63.00
Jan-Mar	65.90-66.10	64.90-65.10	66.00-65.70
Apl-Jne	68.70-63.10	67.80-67.90	—
Jly-Sept	71.60-71.80	70.60-70.80	—
Oct-Dec	74.50-74.60	73.50-73.80	—
Jan-Mar	77.00-77.40	76.50-76.60	—

Sales: 238 (142) at 15 tonnes. 2 (nil) at five tonnes. Physical closing prices (buyers) were: Spot 55.50p (54.00p), June 59.25p (57.75p), July 59.75p (58.50p).

SOYABEAN MEAL

The market opened with losses of £1 on Commission House Selling, reports T. G. Rodick. Prices continued to erode on long liquidation and hedge selling. Commercial buying was evident at lower levels and the market closed on the lows around £2 down.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
June	151.80-52.0	—1.55	155.00-152.50
August	155.50-55.8	—2.15	154.90-155.50
October	158.10-56.7	—1.50	—
December	158.00-58.4	—1.65	158.50
February	159.00-40.0	—1.00	—
April	140.90-45.5	—0.75	—
June	140.50-40.5	—0.90	—

Sales: 93 (129) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £188.00 (£192.00) a tonne cif April-May-June shipments. White sugar daily price £202.00 (£205.00).

Keen selling developed immediately and prices fell by £2. Prices continued to ease and by the close most positions had fallen to life-of-contract low points, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
May	184.75-186.0	185.50-85.75	184.25-84.60
Aug.	184.20-184.2	192.80-92.90	194.00-84.80
Oct.	188.25-188.4	195.25-95.40	195.00-87.88
Jan.	188.00-189.5	196.00-96.00	191.50-89.00
March	191.75-192.0	197.00-97.75	196.75-91.00
May	193.00-193.5	198.00-99.00	198.50-92.00
Aug	194.50-195.5	199.05-99.95	195.50-94.70

Sales: 10,488 (7,705) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £285.5 (£269.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for April 27: Daily price 16.55 (17.36); 15-day average 17.79 (18.03).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller; business). New Zealand cents per kilo. May 357, 360, 360-357; Aug. 371, 376, 373-372; Oct. 372, 374, 374-373; Dec. 377, 379, 380-378; Jan. 379, 382, 382-380; Mar. 384, 388, 390-388; May 394, 397, 399-396; Aug. 397, 400, 401; Oct. 400, 402, 404-401. Sales: 140.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. May 484.0, 485.0, 489.5-482.0; July 490.0, 491.0, 491.0-486.0; Oct. 482.0, 483.0, 486.5-479.3; Dec. 488.0, 489.5, 489.5-485.5; Mar. 496.0, 498.0, 494.5-494.0; May 501.0, 502.0, 504.0-500.0; July 509.0, 512.0, 509.0-507.5; Oct. 509.0, 509.5, 509.0. Sales: 324.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 147 tonnes, bringing the total for the week so far to 197 tonnes. Scattered dealings were reported, without more than minor pressure for supplies. Interest centred on South American and African styles.

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HIDES—Birmingham. In most cases the market was weaker. Second clears. Ox: 31-35.5kg, 44.4p a kg (41.2p a kg); 26-30.5kg, 41.0p a kg (44.0p a kg); 22-25.5kg, 49.5p a kg (51.1p a kg withdrawn). Light cows 25.5kg, 39.5p a kg (42.0p a kg withdrawn).

POTATOES

LONDON POTATO FUTURES — Improved weather brought all prices lower after the previous day's rise. Some profit taking during the afternoon took prices off the lows, but November found less support than the other positions, reports Coley and Harper.

Closing prices: Nov. 57.60, —1.40 (high 59.00, low 57.40); Feb. 65.10, —1.10 (high 65.90, low 64.60); April 72.10, —1.30 (high 72.20, low 71.60). Turnover: 122 (606) lots of 40 tonnes.

PRICE CHANGES

	Apr. 28 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1295/1325	—15	$1415/445
Copper			
Cash w'bar	£834.5	—5.25	£834
3 mths	£855.25	—5.25	£855.25
Cash Cathode	£826.75	—6.25	£827
3 mths	£843.75	—5.5	£843
Gold troy oz	$482.5	—1	$507.5
Lead Cash	£343.875	—5.12	£336.5
3 mths	£350.25	—5.25	£341.75
Nickel	£3,379.50	......	£3,356.66
Freemkt	290/305c	......	280/300c
Platin'mtr'y oz	£213.5	......	£213.5
Freemkt	£216.20	—0.25	£225.10
Quicksilvert	$420/430	......	$415/425
Silver troy oz	518.50p	+0.7	549.05p
3 mths	533.75p	+0.05	565.80p
Tin Cash	£5,937.5	+52.5	£6,140
3 mths	£6,017.5	+35	£6,227.5
Tungsten 22.04lb	$147.54	......	$146.23
Wolfrm 22.04 lbs	$144½/147½	......	$148/152
Zinc Cash	£378	—8	£360
3 mths	£388	—8.75	£368.75
Producers	$875	......	$825
Oils			
Coconut (Phil)	$585w	......	$530
Groundnut	‡	......	‡
Linseed Crude	£424	......	£408
Palm Malayan	$580y	......	$580
Seeds			
Copra Philip	$585	—5	$550
Soyabean(U.S.)	$324v	—1	$318
Grains			
Barley Fut. Sep	£95.80	—0.1	‡
Maize	£127v	—0.5	£124
Wheat Fut. Sept	£102.90	+0.1	‡
No2 Hard Wint	£109.25z	+0.45	£102.5
Other commodities			
Cocoa ship't	£1,045	—3	£1,012
Future July	£950.5	—3	£916.5
Coffee Ft' July	£1081.5	—2	£1067.5
Cotton A.Index	88.55c	+0.45	90.70c
Rubber (kilo)	55.5p	+1.5	54p
Sugar (Raw)	£188	—4	£226
Woolt'ps 64s kl.	328p kilo	‡	316p kilo

‡ Unquoted. u May-June. x June. w April-May. v May. y July. † Per 45-lb flask.

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MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 75.4 to 79.0; Ulster hindquarters 91.5 to 94.5, forequarters 55.0 to 58.0; Eire hindquarters 92.0 to 96.0, forequarters 54.0 to 58.0. Veal: Dutch hinds and ends 118.0 to 124.0. Lamb: English small (new season) 90.0 to 94.0; Scottish medium (new season) 86.0 to 94.0; Imported frozen: New Zealand PL 64.5 to 65.0, PM 63.0 to 63.0. Hoggets: English 70.0 to 76.0; Scottish 74.0 to 78.0; Ulster 70.0 to 76.0. Pork: English, under 100 lb 46.0 to 51.0, 100-120 lb 45.5 to 50.0, 120-160 lb 42.0 to 46.5.

MEAT COMMISSION—Average Fatstock prices at representative markets on April 28. GB—Cattle 90.80p per kg lw (—1.52). UK—Sheep 183.35p kg est dcw (+5.15). GB—Pigs 72.53p per kg lw (+1.37).

COVENT GARDEN—Prices for the bulk of produce in sterling per package except where otherwise stated. Imported Produce: Oranges—Jaffa: Valencia Lates 50/189 4.30-4.85; Cyprus: Valencia Lates 80/120 3.20-3.50; Moroccan: Lates 84/113 3.80-4.00. Lemons—Spania: Trays 25/50 2.20-2.40; Californian: 115/140 6.20; Italian: 100/120 4.50-4.80; S. African: 80/100 5.80-6.20; Jaffa: 40/50 2.30-2.40. Grapefruit—Cyprus: 20 kg 40/64 3.80-4.20; Jaffa: 20 kg 36/75 3.85-4.65. Topaz—Jaffa: 22 lb 40/80 4.00-4.50. Apples—S. African: Granny Smith 8.50, Golden Delicious 7.60-8.50, Starking 6.50-7.00; Chilean: Granny Smith 7.40-7.50; Canadian: Red Delicious 135/150 7.50-8.50; U.S.: Red Delicious 8.50-10.00; French: Stark Crimson 40 lb 5.00-6.00. Golden Delicious 40 lb 125/175 4.00-5.00; 20 lb 72 2.40, 84 2.00; Italian: 40 lb Romes 60/70 4.60-4.80; New Zealand: Cox's Orange Pippins 150/180 10.00-10.50. Pears—Belgian: Conference per pound 0.10-0.12; Italian: Passacrassana 0.12-0.14; S. African: Packhams 6.50-7.60, Josephines 7.00.

English Produce: Potatoes—Per bag 2.20-3.40. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramleys 0.06-0.14, Laxtons 0.08-0.12, Cox's Orange Pippins 0.14-0.22. Cabbages—Per bag 2.80, white cabbages 3.50. Beetroots—Per bag 1.80-2.00. Lettuce—Per 12, round 0.60-0.80, Cox's 10/12 1.20-1.40. Tomatoes—Per 12 lb D 4.80, E 4.20. Leeks—Per 10 lb 1.80-2.00. Rhubarb—Per pound; outdoor 0.08-0.09. Carrots—Per 28 lb 3.20-3.50. Swedes—Per 28 lb Devon 1.20-1.50. Parsnips—Per 28 lb 2.40-3.00. Radishes—Per pack of 12 x 8 oz 1.20, bunches of 12 1.20.

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GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.80-£5.20, codlings £2.60-£3.40; large haddock £4.20; best small plaice £4.00-£5.00; lemon soles (large) £9.50, (medium) £8.50; rockfish £2.60; reds £2.90; saithe £3.30.

AMERICAN MARKETS

NEW YORK, April 28.

The livestock complex was lower in anticipation of a bearish storage report. Precious metals and copper were lower on higher interest rates which encouraged long liquidation. Cocoa prices were severely depressed by selling out of Nigeria. All grains and the soyabean complex finished with major losses as lack of Soviet buying and more precipitation triggered long liquidations. Technical selling continued to depress the heating oil prices, reported by Heinold.

Tin—598.00-601.00 (600.00-606.00).

CHICAGO, April 28.

Lard—Chicago loose 20.25 (same).

Live Cattle—June 71.90-72.00 (72.15), Aug. nil (nil), Oct. 67.85-67.95, Dec. 68.72-68.80, Feb. 69.95, April 70.75, June 72.10.

Live Hogs—June 50.05-50.30 (50.75), July 52.65-52.75 (53.05), Aug. 53.15-53.00, Oct. 52.70-52.65, Dec. 54.65-54.70, Feb. 56.60, April 55.05, June 57.55.

‡‡Maize—May 357-356½ (361½), July 364-363 (370), Sept. 370-370½, Dec. 371¼-371½, Mar. 381¼-381½, May 386½.

Pork Bellies—May 55.07 (57.07), July 58.32 (58.32), Aug. 55.97-55.97, Feb. 70.67, Mar. 71.07, May 72.50, July 73.75.

†Soyabeans—May 774-775 (788½), July 800-798 (813½), Aug. 807½-808½, Sept. 813-812½, Nov. 826-827, Jan. 866-845, May 881.

‖Soyabean Meal—May 222.5-222.8 (226.4), July 229.6-229.8 (234.2), Aug. 232.1-232.3, Sept. 234.2-234.5, Oct. 236.0, Dec. 240.5, Jan. 243.5, Mar. 249.0-249.5, May 251.5-252.5.

Soyabean Oil—May 23.96-23.94 (24.29), July 24.75-24.80 (25.12), Aug. 25.15-25.20, Sept. 25.50, Oct. 25.90-25.87, Dec. 26.50-26.55, Jan. 26.65, Mar. 27.30-27.35, May 27.85-27.90, July 28.35-28.40.

†Wheat—May 429-430 (438½), July 436-437½ (446¼), Sept. 454½-453, Dec. 479-478½, Mar. 499½.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Monday's closing prices

NEW YORK, April 27.

††Cocoa—May 1916 (1900), July 1982 (1980), Sept. 2041, Dec. 2107, Mar. 2152, May 2027, July 2227, Sept. 2262. Sales: 1,247.

Coffee—"C" Contract: May 128.60-128.80 (127.26), July 128.54-128.79 (127.15), Sept. 127.50-127.80, Dec. 125.25-125.60, Mar. 123.00-123.40, May 123.50-123.90, July 123.60-124.25, Sept. 123.50-124.25. Sales: 2,258.

Cotton—No. 2: May 85.15-85.20 (84.52), July 86.45-86.60 (86.37), Aug. 86.80-87.00, Oct. 84.20, Dec. 81.90-82.00, Mar. 82.95, May 83.50-83.85, July 84.50-84.85, Oct. 83.75-84.50. Sales: 2,500.

*Gold—April 485.5-487.0 (485.3), May 485.1 (485.4), June 490.0-491.5, Aug. 503.0-504.5, Oct. 516.7, Dec. 529.0, Feb. 542.8, April 556.0, June 569.3, Aug. 582.8, Oct. 596.3, Dec. 610.1, Feb. 624.1. Sales: 33,000.

Heating Oil (cents per U.S. gallon)—May 0.9335 (0.9350), June 0.9332 (0.9359), July 0.9345, Aug. 0.9430, Sept. 0.9551, Oct. 0.9715, Nov. 0.9908, Dec. 1.0110, Jan. 1.0300, Feb. 1.0435, Mar. 1.0650, April 1.0740, May 1.0800. Sales: 3,255.

Orange Juice—May 142.30 (140.60), July 146.00 (144.30), Sept. 146.75, Nov. 146.40, Jan. 146.00, Mar. 146.60-146.75, May 147.30-147.50, July 148.05-148.30, Sept. 148.80-149.10. Sales: 1,200.

CHICAGO, April 27.

Chicago Imm Gold—June 491.0-490.5 (491.7), July 497.2 (498.0), Sept. 510.0, Oct. 516.5, Dec. 529.0, Jan. 525.9, Mar. 549.0, April 555.6.

WINNIPEG, April 27.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 263.22 (264.22).

EUROPEAN MARKETS

ROTTERDAM, April 28.

Wheat—U.S. Two Dark Hard Winter 13.5 per cent April/May $214, June $213, July $214. U.S. No Two Red Winter June $200, July $198. U.S. No Two Northern Spring 14 per cent May $214, June $212.50, July $213.50, Aug. $214, Sept. $216, Oct. $220, Nov. $223.

Maize—U.S. No Three Corn Yellow June $166.50, July $169 traded, afloat $168, April $168.50, May $165.50, June $167, July $170, Aug. $173, Sept. $173.50, Oct./Dec. $173.50, Jan./Mar. $184 sellers.

Soyabeans—U.S. Two Yellow Gulfports May $317.50, June $321.50, July $324.50, Aug. $328, Sept. $330.50, Oct. $334.50, Nov. $335, Dec. $341, Jan. $346.50, Feb. $353, Mar. $356. Options May $315, June $316.50, July $318 sellers tradeless.

Soyameal—44 per cent protein U.S. afloat $281, April $277.50, May $276, June $280, May/Sept. $284.50, Nov./Mar. $303.50. Brazil Pellets afloat $295, April/May $290, June $295, May/Sept. $295.

PARIS, April 28.

Cocoa—(FFr per 100 kilos): May 1045/1059, July 1100 asked, Sept. 1091.5/1094.5, Dec. 1100/1120, Mar. 126/1145, May 1150/170. Sales at call: nil.

Sugar—(FFr per tonne): July 2180/2200, Aug. 2215/2218, Oct. 2175/2180, Nov. 2165/2185, Dec. 2165/2175, Mar. 2200/2210, May 2200/2220, July 2210/2230. Sales at call: 12.

INDICES

FINANCIAL TIMES

April 27	April 24	Month ago	Year ago
260.45	260.77	260.09	277.79

(Base: July 1, 1952=100).

MOODY'S

April 27	April 24	Month ago	Year ago
1113.2	1115.9	1133.1	1136.2

(December 31, 1931=100)

DOW JONES

Dow Jones	April 27	April 24	Month ago	Year ago
Spot	406.99	408.09	417.13	422.92
Fut'rs	418.85	419.96	426.23	435.91

(Average 1924-25-26=100)

REUTERS

April 28	April 27	M'nth ago	Year ago
1697.2	1695.8	1693.2	1678.2

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

End-Account profit-taking prompts sharp reaction and share index closes at 11.5 down at 574.5 after 572.4

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 10	Apr. 29	Apr. 30	May 11
May 1	May 14	May 15	May 26
May 18	May 28	May 29	June 8

* "New time" dealings may take place from 9 am two business days earlier.

A slightly easier tendency at the start of trading in equities yesterday gathered pace as the volume of profit-taking expanded ahead of tomorrow's end of the record-breaking Easter Account. Selling was by no means heavy and prices were picking up in the late trade when "new-time" buying for the Account starting on Friday is allowed without penalty.

The FT Industrial Ordinary share index gave ground steadily throughout the day until 3.00 pm when it was showing a loss of 13.6; the close was down 11.5 at 574.5—21.5 lower than last Friday's inter-day record high, but still a net 24.7 up on the Account so far.

The FT-Actuaries All-Share index mirrored the tone at 324.31, down 1.6 per cent on the day and 2.3 per cent off last Friday's high since compilation.

Yesterday's reaction was led by the recent high-flyers such as Electricals, Stores and Contracting issues. Fading hopes of an early reduction in Minimum Lending Rate saw widespread losses among the financial sectors, while Oils showed further marked weakness on continuing worries about lower crude prices.

Widespread falls—they outnumbered rises in FT-quoted industrials by about four-to-one—still ranged to double figures in the leaders despite the late hardening in tone, and relieving bright features usually centred on companies in the news.

Having ranged between 228p and 326p since the turn of the year, ICI yesterday gave up 8 to 302p ahead of tomorrow's first-quarter statement on which much of the recent optimism was based.

British Funds continued to labour in the absence of buying incentive with sentiment not helped by the sharp rise in the U.S. Treasury Bill rate. The Government Securities index reflected falls extending to ¾ with a loss of 0.35 more to 68.83: this is its lowest since the Budget and 1.78, or 2½ per cent, below the 1980 peak recorded on March 20.

The expiry of the April series boosted contracts completed in Traded options to 2,662. ICI recorded 335, while BP and Shell attracted 272 and 284 trades respectively.

Banks dull

The major clearing banks, restrained lately by the prevailing pay dispute, turned distinctly dull yesterday as renewed selling and lack of support left closing falls ranging to 13. **Barclays** lost that much to 422p. **Midland** dipped 8 to 325p as did **NatWest** to 382p, while **Lloyds** finished 7 easier at 338p. In Discounts, **Smith St. Aubyn** rose 6 to 196p in response to Press mention, but **Gerrard and National** eased 4 to 306p following comment on the results. Merchant banks came on offer with **Arbuthnot Latham** closing 10 down at 285p and **Hambros** 6 lower at 704p. Fading hopes of a reduction in Minimum Lending Rate soon left Hire Purchases easier throughout. **Provident Financial** shed 4 to 132p and **Lloyds and Scottish** relinquished 2 to 192p.

Insurances succumbed to the general dull trend. **Sun Alliance** fell 14 to 812p and **GRE** declined 12 to 336p.

The Building sector displayed two firm features in **Tarmac** and **Blue Circle**, the former advancing 20 to 390p, after 392p, in response to the increased annual profits and dividend, and the latter firming 10 to 452p awaiting today's preliminary results. Other leading issues encountered sporadic selling. **BPB** closed 8 down at 284p and **Taylor Woodrow** 10 off at 593p. **Wimpey** shed 3 to 118p, ahead of tomorrow's annual results. **Newarthill**, standing around 5 cheaper awaiting the preliminary figures, rebounded on the announcement to close 5 up on balance at 455p. **Ben Bailey Construction**, however, shed 3 to 20p on the disappointing interim profits. A Press mention helped **Robert M. Douglas** to rise 3 to 115p, but **MDW**, a good market of late on bid hopes, gave up 7 to 98p. **Aberdeen Construction** hardened 4 to 182p ahead of next week's preliminary trading statement.

A rising market of late in the wake of the chairman's cautiously optimistic remarks at the annual meeting, **ICI** slipped to 300p before closing 8 down at 302p in front of tomorrow's first-quarter figures. Elsewhere in the Chemical sector, **Coates Brothers** issues attracted support, the Ordinary rising 3 to 62p and the "A" 5 to 61p.

Frasers firm

Stores reacted to profit-taking, and although a firmer trend was evident in late trading, closing falls still ranged to 10. **Gussies "A"** gave up that amount to 490p, while falls of 4 were seen in **Debenhams**, 101p, **British Home**, 169p, and **Mothercare**, 240p. **House of Fraser**, in contrast, rose 4 to 158p: the preliminary results are expected today. Away from the leaders, **Harris Queensway** were dull at 232p, down 12, while **J. Hepworth** closed 6 lower at 112p, after 110p. **Elys (Wimbledon)** shed 15 more to 250p, while **Bentalls** dipped 3 to 44p. **Martin The Newsagent**, 255p, and **NSS**, 176p, gave up 5 and 6 respectively. Mail-orders were also dull and falls of 4 were common to **Grattan**, 84p, **Freemans**, 138p, and **Empire**, 132p.

Leading Electricals were particularly vulnerable to end-Account profit-taking, but buyers appeared towards the close and most quotations rallied to finish well above the worst. **Plessey** were briskly traded and ended 8 cheaper at 317p after 312p, while **Racal** were also a lively market and closed a similar amount lower at 357p, after 350p. **GEC** touched 672p before settling at 680p for a fall of 10. Losses were fairly widespread throughout secondary issues, but **Farnell** responded to the increased dividend and annual profits with a gain of 17 to 457p, while **First Castle**, also on good preliminary results, advanced 9 to 105p. In contrast, falls of around 10 were recorded in **Eurotherm**, 292p, **MK Electric**, 235p, and **Ferranti**, 720p.

Apart from **Hawker**, down 10 at 346p, leading Engineers held up relatively well. **Tubes** drifted off to close 6 cheaper at 220p, while losses of a few pence were marked against **GKN**, 180p, **Vickers**, 202p. Elsewhere, **Simon Engineering** provided one of the day's few bright spots, rising 16 for a two-day gain of 31 to 412p in response to the good annual results. Also reflecting satisfactory preliminary figures, **Francis Industries** rose 4 to 74p. **Babcock International**, on the other hand, encountered profit-taking and gave up 6 to 136p along with **Williams and James** which lost 5 at 107p. **ML Holdings** reacted 10 to 340p, while smaller-priced issues to give ground included **Birmid Qualcast**, 3 cheaper at 28½p, and **Barton and Sons**, a similar amount down at 31p.

Persistent small selling left its mark on leading Foods. **Cadbury Schweppes** shed 3½ to 95p, while **Tate and Lyle**, 182p, and **Unigate**, 119p, both lost 4. Among Retailers, **Kwik Save**, interim results due on Friday, relinquished 6 to 225p, while **Nurdin and Peacock**, annual results expected soon, gave up 8 to 270p.

Leading Hotels and Caterers followed the general trend with **Ladbroke**, a particularly good market of late, shedding 7 to 312p. Elsewhere, **M. F. North** gave up 3 to 27p following the preliminary results.

Myson slumps

A bout of end-Account profit-taking left widespread falls in miscellaneous Industrials. The leaders were particularly vulnerable with **Bowater** notable for a fresh decline of 10 to 257p, after 255p, following the liquidation of recent speculative positions in the absence of the much-rumoured bid for the group's U.S. timber interests. **Pilkington** shed 9 at 312p and **Glaxo** 8 to 350p, while **Unilever** gave up 7 to 513p and **Rank Organisation**, 200p, and **Reed International**, 262p, cheapened 6 apiece. **BOC International** gave up 5 to 142p as did **Beecham**, to 184p. Elsewhere, the final dividend omission and near-£3m deficit saw **Myson** marked down to 35p before a rally left a close of 40p, down 6 on balance. Despite the maintained dividend, **M. Y. Dart** fell 6 to 43p on the half-year profits contraction and **Bodycote International** cheapened 3 to 69p for a similar reason. **BTR** shed 10 to 492p and **United Carriers** relinquished 8 to 151p, while **English China Clays**, 123p, **Christies International**, 224p, and **Thomas Tilling**, 180p, all lost 6. **Silentnight**, on the other hand, rose 7 to 74p, after 75p, in response to the strong second-half profits recovery, and **Leadenhall Sterling** added 5 to 65p, also following trading news. **Maurice James** came in for support at 19½p, up 2½.

Motor Distributors lacked support. **Hartwells**, 95p, gave up 9 of Monday's gain of 16, while **Godfrey Davis** fell 6 to 82p. Falls of 4 were seen in **T. Cowie**, 44p, and **Harold Perry**, 90p. Components were also lower, **Dowty** losing 7 for a two-day fall of 12 to 282p and recent takeover favourite **Dunlop** easing a couple of pence to 74p. **Automotive Products**, on the other hand, remained firm and touched 75p before settling for a net penny gain at 72p.

Publishing issues displayed falls across the board. **Daily Mail A** closed 15 lower at 488p, while **News International** eased 4 to 128p. **A. and C. Black** fell 8 to 67p following the reduced dividend and the full-year loss. Elsewhere, profit-taking clipped 8 from **John Waddington**, 134p.

Properties remained unsettled by the uncertain outlook for interest rates. **Land Securities** shed 7 for a two-day fall of 12 to 417p and **MEPC** lost 4 to 233p. **Great Portland Estates**, 246p, and **Haslemere Estates**, 412p, both gave up 6, while **Slough Estates** eased 3 to 149p. **Marlborough** shed 2 to 52p despite the higher annual profits and the board's confident statement.

Oils weaken afresh

Still overshadowed by the downward pressure on crude prices, Oil shares continued on a downward path. Leading issues managed to close a few pence above the day's worst, with **BP** and **Shell** both closing at 376p with respective losses of 8 and 6. The more speculative exploration issues showed few signs of rallying. **Cambridge Petroleum** dipped 15 to 290p and **Berkeley Exploration** 10 to 262p.

Reflecting the current weakness in Oils, **Viking Resources** lost 7 to 88p and failed to benefit from news of the increased dividend and higher annual profits.

Sporadic profit-taking prompted a fall of 6 to 151p in **P. and O. Deferred**. Elsewhere in easier Shippings, **Reardon Smith** shed 5 at 175p.

Newmont advance

The American sector of mining markets recaptured the limelight following news that Gold Fields has acquired around 7 per cent of Newmont Mining in a market operation worth approximately £45m.

Goldfields held steady and closed unchanged at 468p, while **Newmont Mining** returned from being suspended around $72 to trade in London at $65¼ (£30⅜), after $66½.

Other American mining issues rose sharply on the Gold Fields/Newmont announcement. **Amax** put on £2 to £26½, **Phelps Dodge** around ½ to £20½ and **Asarco** ½ to £20½.

South African Golds continued to attract light selling as the bullion price eased $1 to $482.50 an ounce. The heavyweights showed **Vaal Reefs** £1½ down at £31¾ and **West Driefontein** ½ off at £35 while the medium and lower-priced stocks were featured by **Venterspost**, 19 easier at 534p and **Welkom**, 17 down at 767p.

Australians were mixed. The **Rundle** twins rallied after the heavy losses in recent days; **Central Pacific** recouped 7 to 87p and **Southern Pacific** 6 to 40p. **International Mining** hardened a penny to 43p.

In the leaders, **Peko-Wallsend** rose 8 to 498p, **MIM Holdings** 4 to 255p and **North Broken Hill** 2 to 169p.

Elsewhere, **Silvermines** gave up 6 to 122p following the results, while **Burma Mines** eased a penny to 19p, after 17p, on news that Gasco Investments are not proceeding with the offer for Burma.

FINANCIAL TIMES STOCK INDICES

	Apr. 28	Apr. 27	Apr. 24	Apr. 23	Apr. 22	Apr. 21	A year ago
Government Secs.	68.83	69.18	69.49	69.46	69.60	69.44	66.74
Fixed Interest	70.90	71.20	71.34	71.32	71.20	71.15	66.88
Industrial Ord.	574.5	586.0	587.3	584.5	584.3	566.1	436.7
Gold Mines	355.4	355.8	357.8	353.5	368.4	358.9	295.4
Ord. Div. Yield	5.73	5.62	5.60	5.62	5.65	5.81	8.07
Earnings, Yld. %(full)	11.28	11.08	11.04	11.02	11.05	11.34	19.71
P/E Ratio (net) (*)	11.06	11.27	11.30	11.35	11.35	11.04	6.16
Total bargains	27,733	28,385	27,220	28,268	23,338	22,920	18,273
Equity turnover £m.	—	171.28	280.26	184.40	161.46	134.95	79.61
Equity bargains	—	24,435	26,086	25,208	20,921	18,296	12,407

10 am 582.6. 11 am 576.9. Noon 576.6. 1 pm 574.2.
2 pm 572.8. 3 pm 572.4.
Latest Index 01-246 8026.
*Nil=10.22.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1926. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	68.05 (16/1)	127.4 (9/1/58)	49.18 (6/1/75)
Fixed Int	72.01 (20/5)	69.98 (16/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	587.3 (24/4)	446.0 (14/1)	587.3 (24/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (29/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 27	Apr. 24
—Daily		
Gilt Edged Bargains	162.7	139.5
Equities		
Bargains	158.3	169.0
Value	346.2	526.0
5-day Avrge.		
Gilt Edged Bargains	157.7	161.1
Equities		
Bargains	149.0	138.4
Value	368.8	363.9

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (118)

AMERICANS (14)
CANADIANS (1)
BANKS (5)
BEERS (7)
BUILDINGS (10)
CHEMICALS (4)
DRAPERY & STORES (5)
ELECTRICALS (9)
ENGINEERING (14)
FOODS (2)
HOTELS (1)
INDUSTRIALS (16)
INSURANCE (1)
LEISURE (2)
MOTORS (2)
NEWSPAPERS (2)
PAPER (2)
PROPERTY (3)
SOUTH AFRICANS (1)
TEXTILES (5)
TRUSTS (7)
OVERSEAS TRADERS (1)
RUBBERS (1)
MINES (3)

NEW LOWS (54)

BRITISH FUNDS (8)
Treas. 11½pc 1985 (£15 paid), Exchqr. 13¼pc 1996, Treas. 14pc '98-01, Treas. 12pc 1986, Treas. 12½pc '03-05, Treas. 13¼pc 1993, War Loan 3½pc, Treas. 12¾pc 1995
CORPORATION LOANS (1)
LCC 3pc '20 Aft.
FOREIGN BONDS (1)
Sweden 13½pc 1986
CANADIANS (1)
Place Gas
BANKS (1)
First Nat. Warrants
ELECTRICALS (1)
Scholes (G. H.)
ENGINEERING (2)
Astra Ind., Linread
INDUSTRIALS (2)
Gleves Group, Syltone
PROPERTY (2)
Beaumont, Westminster Prop
TEXTILES (1)
Snia Viscosa
TRUSTS (5)
Jove Inv. Inc., Viking Resources, New Darien Oil Tst., Hampton Trust, Oil & Assoc. Inv.
OIL & GAS (24)
Branor, KCA, Burmah, LASMO, CCP North Sea, LASMO 'Ops', Candecca Res., New Court Nat., Charterhall, Pict Petroleum, Charterhouse, Premier Cons., Collins (K.), Ranger Oil, Gas & Oil Acreage, Shackleton Pet., Gulfstream Res. Can., Strata Oil, Hansa Pet., TR Energy, Hunting Pet., Tricentrol, Imp. Cont. Gas, Ultramar
MINES (5)
Endeavour, Pengkalen, Great Eastern, Potaling, Hampton Areas

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	1	87	9
Corpns. Dom. & Foreign Bonds	2	31	34
Industrials	143	579	645
Props.	28	319	150
Oils	8	56	19
Plantations	1	4	18
Mines	41	52	73
Others	61	38	69
Totals	285	1,165	1,017

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Barclay's Bank	422	−13	Plessey	317	− 8
Blue Circle	452	+10	Racal Electronic	357	− 8
Consolidated Gold	468	—	Reed International	262	− 6
GEC	680	−10	Shell Transport	376	− 6
House of Fraser	158	+ 4	Tarmac	390	+20
Imperial Group	72	− 2	Ultramar	420	−20

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Mon.'s closing price pence	Day's change	Stock	No. of price changes	Mon.'s closing price pence	Day's change
Ultramar	22	440	−20	Brit. Aerospace	12	223	− 9
ICI	20	310	+ 4	De Beers Dfd	12	370	−10
[illegible]	15	[illegible]	− 5	Plessey	12	325	—
GEC	14	690	− 5	Shell Trans.	12	[illegible]	−12
LASMO	14	[illegible]	−15	Lloyds Bank	11	345	− 5
[illegible]	13	68	− 4	Simon Eng	11	398	+15
[illegible] Bank	12	435	− 5	Unilever	11	520	+ 2

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 21	May 1	July 23	Aug. 3
May 11	May 22	Aug. 6	Aug. 11
[illegible]	June 5	Aug. 26	Sept. 7

For rate indications see end of Share Information Service

Calls were arranged in Rothmans International, Glasgow Pavilion, Keith Collins Petroleum, Royal Bank of Scotland, BSR, MDW, Atlantic Resources, Ultramar, Johnson and Firth Brown, F. H. Lloyd, Premier Oil, Carless Capel, Charterhall, J. Hepworth, Sun Oil Royalties, Grand Metropolitan, Harris Queensway, ICI, Strata, Ladbroke, Northern Foods and Laganvale. Puts were taken out in Boots, ICI, Tarmac and GKN, while a double was transacted in Strata.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues., April 28, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon. April 27 Index No.	Fri. April 24 Index No.	Thurs. April 23 Index No.	Wed. April 22 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	356.89	−1.6	10.78	4.43	11.45	362.82	364.69	363.94	362.99	237.67
2	Building Materials (25)	321.19	−0.6	13.74	5.47	8.73	323.09	322.08	318.26	317.45	275.86
3	Contracting, Construction (28)	588.40	−2.1	15.99	4.57	7.45	600.78	604.75	596.68	599.13	352.00
4	Electricals (28)	1085.01	−1.7	8.04	2.45	15.44	1103.22	1113.44	1126.35	1127.15	620.70
5	Engineering Contractors (11)	494.34	−0.2	12.91	5.29	9.46	495.56	493.48	484.66	478.40	283.55
6	Mechanical Engineering (70)	225.00	−1.8	12.61	5.44	9.96	229.15	230.26	228.65	225.76	158.29
8	Metals and Metal Forming (13)	176.39	−2.2	8.95	6.93	14.60	180.35	181.18	178.52	177.53	164.08
9	Motors (21)	109.20	−1.8	7.78	7.27	19.99	111.21	110.19	109.51	110.01	102.32
10	Other Industrial Materials (18)	382.20	−2.3	10.75	5.38	11.12	391.14	394.56	391.78	391.93	0.00
21	CONSUMER GROUP (195)	284.77	−1.4	13.60	5.51	9.34	288.76	289.06	283.83	282.52	214.32
22	Brewers and Distillers (20)	311.64	−0.6	14.88	5.88	7.97	313.67	313.47	304.62	304.77	269.99
25	Food Manufacturing (21)	260.43	−1.2	15.03	6.06	7.91	263.56	262.91	259.27	258.01	189.22
26	Food Retailing (14)	535.97	−1.5	8.42	3.01	14.02	544.27	551.50	542.36	539.96	292.28
27	Health and Household Products (7)	301.60	−2.3	9.06	4.75	13.10	308.69	310.75	306.82	305.53	188.60
29	Leisure (22)	437.06	−1.5	11.74	5.13	10.31	443.64	444.59	445.48	445.76	290.20
32	Newspapers, Publishing (12)	512.46	−0.7	17.22	5.77	7.62	516.15	511.24	503.14	498.65	397.10
33	Packaging and Paper (14)	154.00	−2.6	17.73	7.50	6.60	158.12	159.22	155.41	157.86	130.89
34	Stores (44)	285.54	−1.6	10.38	4.43	12.65	290.05	288.94	282.12	280.68	212.72
35	Textiles (22)	166.49	−1.8	13.07	7.81	10.37	169.46	168.77	168.47	169.04	122.12
36	Tobaccos (3)	241.71	−0.6	23.51	9.63	4.85	243.28	246.01	241.07	233.63	198.66
39	Other Consumer (16)	308.07	−0.8	8.36	6.17	14.88	310.62	309.62	301.67	295.70	0.00
41	OTHER GROUPS (79)	241.92	−2.0	12.75	6.21	9.66	246.38	246.57	243.50	243.71	199.91
42	Chemicals (15)	302.99	−2.5	10.64	6.81	11.92	310.65	309.90	303.96	304.06	295.60
44	Office Equipment (6)	122.69	−3.1	15.02	6.77	7.84	126.60	127.99	129.38	129.79	109.26
45	Shipping and Transport (13)	630.59	−1.8	13.53	5.90	8.83	641.83	644.76	640.33	642.33	495.65
46	Miscellaneous (45)	303.19	−1.3	14.32	5.49	8.59	307.11	306.85	301.45	301.42	241.21
49	INDUSTRIAL GROUP (488)	303.63	−1.6	12.13	5.19	10.08	308.44	309.21	305.66	304.70	225.64
51	Oils (12)	785.89	−2.2	22.68	7.17	4.89	803.32	825.64	816.32	804.88	717.02
59	500 SHARE INDEX	342.35	−1.7	13.96	5.54	8.51	348.15	350.78	346.54	344.78	262.75
61	FINANCIAL GROUP (118)	258.30	−1.7	—	5.46	—	262.82	264.63	261.85	262.36	199.74
62	Banks (6)	258.59	−2.1	35.78	7.00	3.26	264.04	267.33	262.44	259.57	216.15
63	Discount Houses (10)	308.07	−0.4	—	6.44	—	309.45	303.05	303.50	303.50	228.10
64	Hire Purchase (4)	261.24	−1.4	8.61	4.75	16.06	265.05	267.05	266.50	267.04	202.81
65	Insurance (Life) (10)	264.86	−1.9	—	5.65	—	269.92	271.75	269.01	270.89	178.46
66	Insurance (Composite) (9)	164.59	−1.7	—	7.46	—	167.51	167.43	166.14	167.94	127.32
67	Insurance Brokers (8)	367.26	−3.0	12.40	6.28	10.93	378.62	382.58	377.47	381.26	296.88
68	Merchant Banks (13)	160.17	−0.7	—	4.89	—	161.27	161.00	159.32	158.04	101.97
69	Property (48)	498.04	−1.6	3.11	2.54	44.19	505.89	511.52	507.64	508.61	395.95
70	Miscellaneous (10)	170.17	−1.0	18.60	6.08	6.53	171.93	172.23	170.79	173.33	125.27
71	Investment Trusts (109)	311.90	−1.4	—	4.94	—	316.33	318.10	314.82	313.99	210.98
81	Mining Finance (3)	238.84	−0.5	14.13	5.62	8.22	239.93	240.44	237.19	242.85	187.01
91	Overseas Traders (20)	477.73	−1.3	11.27	6.10	10.88	483.97	478.55	472.63	476.43	381.38
99	ALL-SHARE INDEX (750)	324.31	−1.6	—	5.50	—	329.65	331.87	327.97	327.10	247.59

FIXED INTEREST

	PRICE INDICES	Tues. April 28	Day's change %	Mon. April 27	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	108.23	−0.20	108.44	—	3.75
2	5-15 years	110.78	−0.49	111.32	—	3.86
3	Over 15 years	114.07	−0.60	114.76	—	4.65
4	Irredeemables	123.71	−0.59	124.44	—	6.23
5	All stocks	110.72	−0.44	111.21	—	4.07
6	Debentures & Loans	87.42	−0.65	88.00	—	3.66
7	Preference	67.63	+0.00	67.63	—	2.88

	AVERAGE GROSS REDEMPTION YIELDS		Tues. April 28	Mon. April 27	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	11.79	11.69	12.53
2		15 years	12.23	12.16	12.42
3		25 years	12.35	12.27	12.42
4	Medium Coupons	5 years	13.34	13.23	14.27
5		15 years	13.80	13.70	14.01
6		25 years	13.52	13.43	13.88
7	High Coupons	5 years	13.29	13.17	14.34
8		15 years	14.00	13.90	14.32
9		25 years	13.70	13.61	14.29
10	Irredeemables†		11.77	11.69	11.67
11	Debs & Loans	5 years	14.50	14.39	15.12
12		15 years	14.50	14.39	14.95
13		25 years	14.50	14.39	14.78
14	Preference†		14.51	14.51	15.88

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 96.8 96.9 ..... 13.93
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Gruneburgweg 113, 6000 Frankfurt
Investa DM32.40 34.10 ..... —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. April 21 $4.82 5.06 ..... —
London Agents: Kleinwort Benson. Tel: 01-623 8000

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
[illegible]

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381
HS Channel Is. Fd. 152.7 162.9xd 3.25
H.S. Fixed Int. Fd. 94.0 98.0 −1.0 12.50
Box 2622, Berne, Switzerland. Telex 33425.
H.S. Overseas Fd. US$25.99 27.03 +0.13 —
CSF Fd. (Acc.) SF18.97 19.36 +0.02 —
Crossbow Fd. SF6.99 7.11 +0.11 —
ITF Fd. (Acc.) US$14.25 14.51 +0.02 —

N.V. Interbeheer
P.O. Box 526, Delft, Holland
Esmeralda (Offer Pce) DF70.43 — +0.36 2.56

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† US$2.80 2.97 ..... 0.57
OCSm. Co.*** 114.5 121.3xd 2.72
O.C. Commodity* 94.4 100.4 ..... 7.17
O.C. Dir. Comdty.† US$44.43 47.26xd 1.56
O.C. Hong Kg. Fd.† HK$35.87 38.15xd ..... —
O.C. Sterling Fd.** £13.550 +0.004 —
**O.C. International Reserves Limited
Bel. Francs (Fin.) 452.64 | Italian Lira 22.972
Canadian $ 27.235 | Singapore $ 53.900
D-Mark 42.575 | £ Sterling 11.075
Dutch Guilder 42.488 | Swiss Francs 41.266

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co., Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd.

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Buckmaster Management Co. Ltd.

Canada Life Unit Trust. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers (a)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd.

Crescent Unit Tst. Mngrs. Ltd.

Dartington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd.

Robert Fraser Trust Mgt. Ltd.

Friends' Provdt. Trust Mngrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd.

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Management Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd.

Pelican Units Admin. Ltd.

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd.

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd.

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management

Rowan Unit Trust Mngt. Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd.

Sun Alliance Insurance Group

Target Tst. Mngrs. Ltd.

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd.

TSB Unit Trusts

Ulster Bank

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Property Growth Assur. Co. Ltd.

Prop. Equity & Life Ass. Co.

Providence Capitol Life Assur. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Solar Life Assurance Limited

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Sun Life Pensions Management Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

B.L.A. Bond Investments AG

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd.

Capitol International S.A.

Capital International Fund S.A.

Charterhouse Japhet

Chaston Commodities (Isle of Man) Ltd.

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⁹⁄₃₂	97⅝	Exch. 8¼pc 1981	99⁹⁄₃₂	......	8.29	11.51
99⅛	97¼	Exch. 9½pc 1981	99⅛	......	9.55	11.82
97⅝	93¼	Exch. 3pc 1981	97⅜	......	3.08	11.69
99⁹⁄₁₆	99⅛	Treas. Variable '81§§	99⁹⁄₁₆xd	......	13.45	12.27
100¼	99¼	Exch. 12¾pc 1981‡‡	100¹⁄₁₆xd	−¹⁄₁₆	12.66	11.47
97¹¹⁄₁₆	95¹¹⁄₁₆	Treas. 8½pc '80-82‡‡	97¹¹⁄₁₆	+⅛	8.69	11.63
95	91⅞	Treasury 3pc '82‡‡	94⅞	......	3.17	10.46
102⅝	100¹¹⁄₁₆	Treasury 14pc '82‡‡	101⅝	−¼	13.77	11.91
99	98¼	Treas. Variable '82§§	98¹⁄₁₆	......	11.87	12.70
95½	93¹¹⁄₁₆	Treasury 8¼pc '82	95⅛	−⅛	8.65	12.54
96⅝	93⅝	Exch. 9¼pc 1982	95½	−⅛	9.68	12.79
94⅞	92⅝	Exch. 8¾pc 1983	94⅜	−¹⁄₁₆	9.27	12.50
89¼	84⅞	Exch. 3pc 1983	87⅞	−⅛	3.41	10.48
99½	97⅜	Treasury 12pc 1983‡‡	98⅛	−¼	12.22	13.07
98½	96¾	Treas. Variable '83§§	98⅛xd	......	13.51	12.76
94⅛	92¼	Treasury 9¼pc '83	93⅛	−¼	9.91	12.78
101¹³⁄₁₆	100¼	Exch. 13½pc '83	101⅛xd	−¼	13.32	12.95
94⅛	92¼	Exch. 10pc 1983	93¼	−¼	10.72	13.10
87¼	84⅝	Funding 5½pc '82-84‡‡	86¼	−¼	6.37	11.52
96⅛	94⅝	Exch. 11¼pc 1984	95¼	−⅛	11.74	13.07
103⅝	101¹¹⁄₁₆	Exchequer 14pc 1984	102½xd	−⅛	13.65	13.00
80⅝	78½	Exch. 3pc 1984	79	−⅛	3.79	11.09
98½	95⅝	Treasury 12pc 1984	97⅝	−⅛	12.29	12.87
107¼	104⅞	Treasury 15pc 1985	106½	−⅛	14.08	12.76
98⅞	96⅝	Exch. 12pc Cnv. '85	97½	−⅛	4.03	11.00
75¼	73½	Treasury 3pc 1985	74¾xd	−⅛	4.01	10.86
15⅛	14½	Treas 11½pc '85 (£15pd)●	14⅞	−¼	11.97	12.77
98⅝	96⅝	Exch. 12¼pc 1985	97⅞xd	−¼	12.51	12.88
97⅛	93⅝	Exch. 11¾pc '86	95⅞	−¼	12.24	12.92
		Five to Fifteen Years				
70⅝	69	Treasury 3pc 1986●	69⅝	−⅛	4.33	11.14
97⅝	97⅛	Treasury 12pc '86	97⅛	−⅛	12.52	13.14
88⅛	84¾	Treasury 8¼pc '84-86‡‡	88	......	9.94	12.37
103⅞	98⅞	Exch. 13¼pc 1987	103⅛	−¼	13.30	13.33
81⅛	77⅛	Funding 6½pc '85-87‡‡	77⅝xd	−⅛	8.36	11.80
99½	93⅞	Treas. 12pc 1987	93⅝xd	−¼	12.83	13.52
81⅛	76¾	Treasury 7¾pc '85-88‡‡	80⅝	−¼	9.85	12.52
65½	61⅝	Transport 3pc '78-88	62⅞	−⅛	4.84	10.75
92¼	86¼	Treasury 11½pc 1989	91⅞	−½	12.87	13.76
93	87	Do. A	91⅞	−½	13.00	13.94
67¼	63⅞	Treasury 5pc '86-89	65¼	−⅛	7.68	11.59
101½	95⅛	Treasury 13pc 1990‡‡	100	−½	13.50	13.72
40⅞	38¼	Exch. 12½pc '90 (£40pd)	38½	−⅛	13.49	13.98

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Public Board and Ind.				
64	61¼	Agric. Mt. 5pc '59-89	63½	−½	8.08	12.59
29½	28¼	Met. Wtr. 3pc 'B'	28½	−½	10.70	12.95
114	98½	U.S.M.C. 9pc 1982	113	......	8.24	—
97¾	92½	Do. without Warnts.	97¾	......	9.59	14.30
		Financial				
101½	99¾	FFI 14pc '83	100⅝	−⅛	13.90	13.63
92	88½	FFI(UK Fn)5½pcDb. '80-2	91½xd	−½	6.01	13.55
83½	80	Do. 6¼pcDb. '81-84	83	−½	7.81	13.50
93	86½	Do. 10½pc Uns.Ln. '86	93	+½	11.72	13.60
92	79¼	Do. 11pc Uns.Ln. '88	91	−1	12.58	13.50
92	86½	Do. 11¾pc Uns.Ln. '90	91	−½	13.49	14.40
94½	88½	Do. 12¼pc Un. Ln. 1992	92xd	......	13.58	13.95
64½	60	Do. 7¼pcADeb. '89-92	63¼	−½	12.03	14.30
62	59	Do. 7¼pcADeb. '91-94	60¾xd	−¼	11.93	13.70
72½	68	Do. 9pc 'A' '91-94	71xd	−¼	12.68	13.80
70	65	Do. 8⅞pcLn. '92-97	67	......	13.69	14.45

FOREIGN BONDS & RAILS

1981 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
62½	58	Antofagasta Rly.	60	......	—	—
55	55	Do. 5pc Pref.	55	......	—	—
98	98	Chilean Mixed	98	......	3	f3.06
28	20	Chinese 4½pc 1898	20	......	—	—
22	17	Do. 5pc 1912	17	......	—	—
18	11	Do. 5pc 1913	11	......	—	—
16	11	Do. 5pc '25 Boxer	11	......	—	—
94	88¼	Denmark 13pc 2005.	91¼	−½	13	14.80

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
40	32	Acmex 50c	40	......	Q2.5c	—	3.3
23	14	ACM 20c	17	......	—	—	—
21	14	Argosy Gold NL 25c	17	......	—	—	—
212	137	Bond Corp.	176	–2	Q7½c	1.9	2.2
102	76	Bougainville I Kina	88	+2	Q26.2c	1.0	15.5
302	214	CRA 50c	236	–6	Q19c	1.7	4.1
25	17½	Canada Northwest	19½	......	—	—	—
35	17	Carr Boyd 20c	17	–1	—	—	—
90	80	Central Pacific	87	+7	—	—	—
35	35	Cons. Gold Mn. N.L. 50c	35	......	—	—	—
47	38	Cultus Pacific N.L.	38#	......	—	—	—
32	22	Eagle Corp. 10c	26	–3	—	—	—
40	29	Endeavour 20c	29	–2	—	—	—
500	310	G. M. Kalgoorlie 25c	360	......	†Q13c	ϕ	1.9
25	11	Great Eastern	11	–1	—	—	—
275	180	Hampton Areas 10p	180	–5	t2.5	2.4	2.0
168	70	Haoma Gold N.L.	72	+2	—	—	—
85	42	Intl. Mining	43	+1	—	—	—
245	140	Kitchener NL 25c	140	–5	—	—	—
105	45	Leichardt Expln.	50	......	—	—	—
430	275	Meekatharra	340	......	—	—	—
70	49	Metals Ex. 50c	66	+2	¶Q3c	2.9	2.4
36	20	Metramar Mnrs. 20cts.	32	+1	—	—	—
267	190	M.I.M. Hldgs. 50c	255	+4	‡Q27.6c	1.7	‡
21	11½	Minefields Expl. 25c.	11½	–1	—	—	—
108	83	Mount Lyell 25c	90	......	ϕtQ15c	1.7	8.7
20	14	Newmetal 20c	15	......	—	—	—
69	41	Nickelore N.L.	60	+3	—	—	—
204	149	North B. Hill 50c.	169	+2	Q18c	3.1	5.6
84	50	Nth. Kalgurli	60	–1	—	—	—
175	94	Nth. Mining Corp.	144	+2	—	—	—
122	46	N. West Mining N.L.	46	......	—	—	—
148	106	Oakbridge 50c	137	–1	tQ12c	1.1	4.5
185	138	Otter N. L.	150	+5	—	—	—
186	164	Pacific Copper	186	......	—	—	—
605	475	Pancont'l 25c	525	+5	—	—	—
70	42	Paringa M&Ex 5p	58	......	—	—	—
525	375	Peko-Wallsend 50c	498	+8	ϕQ22½c	ϕ	2.3
43	27	Pelsart Res NL	41	–2	—	—	—
120	85	Seltrust A	105	–5	—	—	—
157	34	Southern Pacific	40	+6	—	—	—
72	42	Swan Resources 20c.	42	......	—	—	—
18	11½	West Coast 25c	12½	......	—	—	—
300	227	Westn. Mining 50c	280	–2	Q14c	1.6	2.6
27	19	Westmex	21	......	—	—	—
76	50	Whim Creek 20c	50	......	—	—	—
101	68	York Resources	68	......	—	—	—

Tins

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
16	10	Amal Nigeria 1p	11	......	‡6.0	—	—
300	255	Ayer Hitam $M1	260	......	‡Q205c	1.0	‡
67	54	Beralt Tin	59	......	4.5	3.2	10.9
155	125	Geevor	125	......	‡8.4	1.9	‡
10	8	Gold & Base 12½p	10	......	—	—	—
660	570	Gopeng Cons.	570	......	‡30.0	1.8	‡
450	390	Hongkong	390	......	21.0	ϕ	7.7
125	115	Idris 10p	118	......	26.0	ϕ	7.3
15	13	Jantar 12½p	15	......	1.5	ϕ	14.3
98	86	Kamunting $M0.50	86	......	‡Q80c	1.0	‡
775	545	Killinghall $M1	775	......	Q100c	ϕ	2.5
114	88	Malay Dredging 10c	114#	......	ϕhQ38c	0.9	6.4
65	30	Pahang	65	+3	0.44	0.3	1.0
103	92	Pengkalen 10p	92	–1	3.5	0.6	5.5
380	345	Petaling $M1	345	–5	Q180c	ϕ	10.1
25	19	South Crofty 10p	23	–2	‡1.0	ϕ	‡
225	200	Sungei Besi $M1	215	......	‡Q480c	1.1	‡
160	95	Supreme Corp. $M1	160	......	gQ15½c	ϕ	1.9
118	116½	Tanjong 15p	118	+1	21.5	ϕ	1.8
90	80	Tongkah H. Tin $Sm	80	......	Q23%	0.4	5.7
410	350	Tronoh $M1	370	+10	‡Q250c	0.7	‡

Copper

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
295	165	Messina R0.50	285	......	Q45c	4.7	9.0

Miscellaneous

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
175	142	Anglo-Dominion	175	+5	—	—	—
55	40	Barymin	46	+2	—	—	—
24	14	Burma Mines 10p	19	–1	0.75	0.9	5.6
315	180	Colby Res. Corp.	205	–10	—	—	—
270	200	Cons. Murch. 10c.	270	......	tQ30c	1.8	6.4
98	75	††Hemerdon 10c.	85	......	—	—	—
180	135	Highwood Res.	150	–5	—	—	—
400	300	Northgate C$1	350	–10	—	—	—
487	372	R.T.Z.	475	–3	16.0	φ3.1	4.9
£114	£93½	Do. 9½% Cv. Un. Ln. '95-2000	£112½	......	Q9½%	—	f8.9
143	118	††SPO Minerals 10p	118	......	—	—	—
47	33	Sabina Inds. C$1	38	......	—	—	—
38	28	††SWCM 10p	34	......	—	—	—
550	465	Tara Exptn. $1	510	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ✦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- || No par value,
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax-free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital;cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xk ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	43	......
Bertam	14	......
Bdg'wtr. Est. 50p	495	–5
Craig & Rose £1	£11¼	......
Fife Forge	58	......
Finlay Pkg. 5p	21	–1
Graig Ship. £1	£20	–1
Higsons Brew.	73	......
Holt (Jos) 25p	445	+10
I.O.M. Stm. £1	157	–1
Pearce (C. H.)	965	......
Peel Hldgs.	100	......
Sheff. Refrshmt	183	......
Sindall (Wm.)	175	+5

IRISH

Conv. 9% '80/82	£93⅝	......
Nat. 9¾% 84/89	£75¾	......
Fin. 13% 97/02	£80¾	......
Alliance Gas	74	......
Arnott	260	......
Carroll (P.J.)	88	+1
Concrete Prods.	96	......
Helton (Hldgs.)	27	......
Ins. Corp.	395	......
Irish Ropes	53	......
Jacob	47xd	......
T.M.G.	22	......
Unidare	88	......

OPTIONS

3-month Call Rates

Industrials		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	15
BOC Intl.	11	"Imps"	7	Woolworths	5
B.S.R.	4½	I.C.L.	6		
Babcock	11	Ladbroke	30	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	8
Beecham	15	Lex Service	10	Cap. Counties	11
Blue Circle	35	Lloyds Bank	28	Land Secs.	37
Boots	20	"Lofs"	4½	MEPC	20
Bowaters	24	London Brick	7	Peachey	15
Brit. Aerospace	14	Lucas Inds.	18	Samuel Props.	13
B.A.T.	25	"Mams"	20	Town & City	2¾
Brown (J.)	7	Mrks. & Spncr	9		
Burton Ord.	12	Midland Bank	26	**Oils**	
Cadburys	7½	N.E.I.	7	Brit. Petroleum	36
Courtaulds	6	Nat. West. Bank	32	Burmah Oil	16
Debenhams	8	P & O Dfd.	13	Charterhall	9
Distillers	17	Plessey	30	KCA	22
Dunlop	7½	Racal Elect.	34	Premier	18
Eagle Star	22	R.H.M.	5	Shell	34
F.N.F.C.	3½	Rank Org. Ord.	18	Tricentrol	38
Gen. Accident	30	Reed Intnl.	20	Ultramar	44
Gen. Electric	60	Sears	5		
Glaxo	28	Tesco	5½	**Mines**	
Grand Met.	14	Thorn EMI	36		
G.U.S. 'A'	44	Trust Houses	18	Charter Cons.	21
Guardian	32	Tube Invest.	18	Cons. Gold	45
G.K.N.	16	Turner & Newall	10	Lonrho	9
Hawker Sidd.	25	Unilever	50	Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Wednesday April 29 1981

ConsGold seeks big stake in Newmont

By Kenneth Marston, Mining Editor

LONDON'S Consolidated Gold Fields mining and industrial group intends to acquire a major stake in Newmont Mining, the large U.S. mining and energy concern, turning the tables on U.S. oil majors now seeking to move in on world mining companies.

In the past five weeks, Gold Fields has purchased about 7 per cent of Newmont in share markets at a cost of some £45m. The U.K. company intends to raise this stake to at least 25 per cent, but less than 50 per cent. This is the first major Gold Fields purchase with the proceeds of its £181m rights issue late last year.

So far, no decision has been taken on whether further Newmont purchases will be made in the share market or whether a deal can be negotiated.

Mr. Rudolph Agnew, deputy chairman and group chief executive of Gold Fields, emphasised yesterday that his was a "non-hostile" approach and that there was no intention of controlling or dominating Newmont, which is a leading international producer of copper, other base metals, precious metals and energy minerals.

Newmont's reaction was calm. The company stated only that its board would meet shortly to consider what action to take.

Gold Fields sees Newmont as an attractive investment and feels that the link would create a combined mining force large enough to thwart any oil company takeover moves towards Newmont. Following the recent heightened interest in mining companies by the U.S. oil majors, Newmont has been thought to be very vulnerable to such action.

Gold Fields could spend up to a total of $750m (£347m) to bring its stake to just under 50 per cent of Newmont which, over the past nine years, has raised annual earnings from $51m to $196m in the year to last December.

Mining, Page 28

Polish party rank and file to demand further change

BY CHRISTOPHER ROBINSKI IN WARSAW

RANK AND file members of the Polish Communist Party will step up pressure on the leadership for radical democratic changes, the sacking of Soviet-backed hardliners, and the punishment of former leaders they blame for crippling the economy.

Mr. Stanislaw Kania, the party leader, faces a tough test as he attempts to manoeuvre a meeting of the policy-making Central Committee in Warsaw between these demands and pressure from the Soviet Union to uphold Communist orthodoxy.

Lowlier members of the party—claiming to represent about a third of the total 3m membership—have called a "party alert."

Activists in Gdansk, Torun, Poznan and at least 10 other industrial centres will meet in local factories during the committee meeting and monitor events either from broadcasts or through contacts in Warsaw.

If they do not approve of the way the Warsaw meeting goes they will bombard it with resolutions from the own local sessions.

Although the politburo—a cabinet elected by the central committee—is clearly concerned about the danger of irritating the Soviet Union, it is determined to maintain close contact and work with the so-called "horizontal" movement of rank and file members within the party.

Mr. Kazimierz Barcikowski, the politburo member responsible for relations with the overall party, told a meeting on Monday that developments in the grass roots "had seriously weakened our friends' (the Soviet Union's) faith in the party's ability to cope with the crisis."

But the leadership found "important values in the rank and file movement and recognised its ideological and intellectual efforts."

He was concerned about falling morale in the party, noting that since last summer 160,000 members had left the organisation.

Despite concerted and persistent demands for the sacking of Mr. Stefan Olszowski, the politburo member in charge of the media and ideology, he is not expected to lose his place.

A visit to Warsaw last week by Mr. Mikhail Suslov, the Kremlin's chief ideologist, made it plain that Moscow wants Mr. Olszowski and other conservatives left in positions of authority.

There may be last-minute efforts to shift Mr. Olszowski from his present job, perhaps into a post where he would take responsibility for foreign affairs. While this may not satisfy the more vociferous activists, it would make possible a more moderate media policy.

Three members installed by the former leader, Mr. Edward Gierek, however, could well be dismissed. Mr. Barcikowski has said that working class party members will be brought into the politburo to satisfy demands for grassroots representation at the highest level.

A sign that Mr. Olszowski has been busy strengthening his position came yesterday, when the Polish press agency announced that the Grunwald Patriotic Association had been officially registered.

Banks doubt accord with Poland by June, Page 2
Editorial Comment, Page 24

USDAW blow for Foot on election

By Nick Garnett, Labour Staff

THE ATTEMPT by Mr. Michael Foot, Labour Party leader, to secure greater influence for MPs in Labour's electoral college was dealt a severe blow yesterday by the Union of Shop, Distributive and Allied Workers.

The annual conference of the fifth biggest union in affiliation to the party decided overwhelmingly to use its 417,000 affiliated votes to support the formula which gives 40 per cent of the votes for the party leader to the unions, with 30 per cent each for the MPs and the constituency parties.

This was in line with the recommendation made yesterday by the union's executive.

If USDAW had decided against that formula—which the union played a major role in getting accepted at the Labour Party special Wembley Conference last January—it could have been abandoned at the Labour Party conference this year.

Although the USDAW vote might prove crucial there is still uncertainty about how the unions overall will vote on the issue at the Labour Party conference in October.

The USDAW conference in Blackpool followed the Association of Professional, Executive, Clerical and Computer Staff (APEX) in backing the leadership of Mr. Foot, and Mr. Denis Healey rather than Mr. Anthony Wedgwood Benn as deputy party leader.

At the same time though it chose to reject an appeal from Mr. Foot who asked the union's conference early this week to support a 50:25:25 formula that would give the biggest voting share to the Parliamentary Labour Party.

There were no motions supporting that formula before the USDAW conference but there were motions supporting a one third/one third/one third split and for a one man one vote system, both of which were defeated.

The USDAW executive voted to reaffirm its support of the Wembley decision despite opposition from some executive members and from Mr. Bill Whatley, the union's general secretary.

Mr. Whatley was clearly unhappy about the decision of the executive on which the Right has a majority.

The Apex conference voted earlier this week to put its 109,000 affiliated votes behind the 50:25:25 formula.

Barclays Bank in refinancing plan to rescue Myson Group

BY JOHN MOORE

BARCLAYS BANK could acquire a 31 per cent stake in Myson Group, the heating, ventilation and air conditioning specialist, following an unusual refinancing scheme for the company unveiled yesterday.

The deal was announced as Myson revealed 1980 trading losses of £2.97m before closure costs and redundancy payments compared with a trading profit of £2.10m a year earlier.

Barclays' move is a rare example of a single commercial bank placing itself in a position to become a large shareholder in a company to which it lends.

Barclays said yesterday this was the "most appropriate way" to deal with Myson's problems, but stressed that it was a "one-off situation which should not be regarded as a precedent for the future."

Barclays has had some experience of this sort of exercise. In 1978 it took a 37.5 per cent stake in Monotype, the UK typesetter, together with the National Enterprise Board.

Under the arrangement with Myson, £15m of Myson's debt is to be rescheduled. In addition, Barclays will subscribe to £3m of a new class of convertible preference shares, which if the bank were to convert, would give it a 31 per cent stake in the company.

Barclays said it intended to hold the convertible preference shares as "a portfolio investment" but added yesterday that if it were to convert, it would not retain its stake "as a long-term investment."

Myson said its poor results had been caused by falling demand from merchants and other customers as they rapidly sought to reduce their stocks. Closure costs and large redundancy payments sharply increased the group's bank borrowings, and its interest payments. Earlier this month, group borrowings stood at £18.9m.

BARCLAYS BANK has launched a major policy review today with the appointment of Mr. Timothy Bevan as its new group chairman. It has called in McKinsey, the international consultants, to help plan a series of fundamental organisational changes in Britain and overseas. Barclays reviews its management, Page 8.

The challenge of being Number One, Page 24
Barclays bets on a Myson recovery, Page 27

Managers' pay rises below national average

BY JAMES McDONALD

SALARY increases for managers in the private sector are still below the national average and by the end of this year managers will be earning less in real terms than in 1975, says a survey published yesterday by the British Institute of Management.

The survey is based on information from 344 companies with a total of 2.7m employees and more than 38,000 executives. It shows executives' earnings, including bonuses, last year increased 17.3 per cent, compared with an average earnings rise over the whole economy of 18.9 per cent.

At the lower end of the management scale average earnings rose from £7,419 to £8,929 in the year to January. Chief executives' gross annual average income in the same period rose from £31,388 to £35,001, which the BIM expects to increase to £38,300 this year.

The survey points to a change in company thinking on fringe benefits with a "dramatic" increase in the number of middle managers receiving a car allowance, up from 11 per cent in the 1980 survey to 39 per cent this year, and a fall of more than half in the number of middle managers with company cars.

"It is clear that several organisations are changing their attitude on company cars at the less senior levels, away from the capital intensive purchase-lease arrangement to a simple, controllable allowance method, quite possibly to the benefit of the individual from the income tax position, as well as the company."

Two years after the end of government pay restraint policies, market and economic pressures have reasserted themselves strongly as the main influence on salaries in the private sector, says the survey.

As a result the recession has produced wide variations between industry sectors for the first time in many years.

The average rise in executive earnings was 17.3 per cent, but there was an increase of only 3.5 per cent in the vehicles and mechanical engineering group, compared to a rise of 23.3 per cent in banking and insurance and 38.3 per cent in the paper, printing and publishing sector.

Most of the manufacturing groups showed rises below the median, except for textiles, clothing and footwear, whose slump probably came earlier than for most groups.

The survey notes that while executives' total earnings were 17.3 per cent higher, basic salaries increased 17.4 per cent, reflecting the continuing importance of bonuses and particularly those based on company performance.

These performance bonuses are more common among directors and this is reflected in the survey, which shows an average basic salary increase of 18.6 per cent but a total earnings rise of only 15.7 per cent.

Looking ahead, the survey forecasts that by next January prices will have risen by about 10 per cent but that average earnings increases may be 1 per cent to 2 per cent below this.

"*National Management Salary Survey 1981.*" *two vols, Remuneration Economics, 51, Portland Road, Kingston upon Thames, Surrey.*

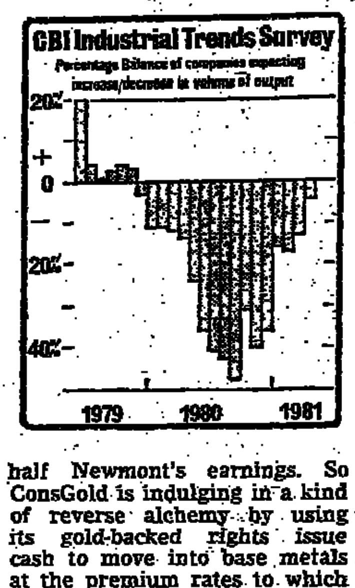
Details, Page 21

THE LEX COLUMN

ConsGold selects its target

The looming end of the account tomorrow was enough to frighten out some of the past fortnight's frothier buyers of equities, and the whole market took on a rather overstretched appearance. Thus there was weakness too in gilt-edged, where the index-linked stock took a tumble ahead of Friday's £300m call—confirming suspicions at the time of the issue that some pension funds may have collected more than they expected. But in late dealings for new time, equities started to rally—and the determinedly optimistic can probably read just a few encouraging signs in the latest CBI survey of industrial trends.

Index fell 11.5 to 574.5



ConsGold

It all seems a far cry from November, 1979, when Consolidated Gold Fields warned shareholders of the possibility of "a creeping takeover of your interests." Yesterday the company announced that it had, in a similarly secretive way, built up a stake in the U.S. group Newmont Mining Corporation. ConsGold's market manoeuvring has fallen rather short of the Anglo American/de Beers operation, however, since it has emerged with only 7 per cent of the equity, albeit over the shorter period of five weeks. Nonetheless, ConsGold says it would like to build up a "non-hostile" holding in Newmont of between 25 and 50 per cent.

This seems rather like playing poker with see-through cards, and it is hardly surprising that ConsGold does not appear over keen to pay the heavy price that would be required in the market for such a purchase. The apparent suggestion is that Newmont might care to hand over some equity in return for cash, which it could use, perhaps, to develop its Nevada gold mine. The assumption seems to be that Newmont may prefer such a protective arrangement to being a sitting target on the hit lists of oil companies.

At least the move may take the edge off the restlessness of shareholders who have seen the shares they subscribed for at 500p in December tumble to 468p yesterday without finding out what the company intended to do with the £181m raised. Whereas in November ConsGold grandly refused to tie itself down at all, it is now talking decisively about its lack of interest in industrial companies and its commitment to mining.

But a broader mining base means bigger exposure to copper, which represents about half Newmont's earnings. So ConsGold is indulging in a kind of reverse alchemy by using its gold-backed rights issue cash to move into base metals at the premium rates to which oil company competition has bid up vulnerable mineral companies. ConsGold's approach, moreover, may well flush out an outright bid for Newmont.

Tarmac

In the second half of 1980 Tarmas comfortably matched its strong performance in the last six months of the previous year, so that 1980 pre-tax profits, before an exceptional credit, are up from £38.0m to £42.2m. Better still, from the market's point of view, was the 20 per cent increase in the final dividend, giving a 16 per cent total rise for the year.

The figures have been struck after redundancy costs in the region of £3m, a charge which should not recur. Equally, the current year should see the elimination of £1m of losses in Tarmac's international business, from which steady withdrawal is continuing: in future the group will confine itself to a handful of major projects.

Tarmac has pushed profits ahead in quarry products and building materials despite generally poor demand. The effects of recession seem to have been outweighed by improvements in efficiency—weak businesses have been licked into shape, and heavy capital spending has cut costs. These divisions should now be very responsive to higher volume.

Housebuilding is seen as the fastest-growing area: volume has been held in 1980 thanks to Tarmac's willingness to buy up its customers' old properties. Partly as a result of this policy, borrowings are up £20m on the year, and average debt is roughly 40 per cent of shareholders' funds.

A rise in construction output in 1982 could take Tarmac's profits sharply higher, after an improvement to, say, £47m this year. Up 20p at 390p yesterday against the trend, the shares yield 6 per cent (twice covered by current cost earnings) and do not look dear relative to the market.

Myson Group

Unlike some of the other recently rescued industrial companies like Stone-Platt or Weir, Myson Group has stayed pretty close to a single bank—Barclays—and the relationship is reflected in Barclays' decision to subscribe for £3m of Convertible Preference—which on conversion could give the bank a 31 per cent stake in the equity.

Myson's expansion in the early and middle 1970s left it with high borrowings but the share price never quite performed well enough for the company to fund through a rights issue. At the end of 1979 it had debts of £11.5m against £13.4m of shareholders' funds, so it was in no state to face a recession of the severity of 1980.

Total losses and write-offs amounting to £5.5m have eroded the equity, while by the beginning of this month indebtedness stood at £18.9m. Clearly Barclays has been convinced that Myson is now stable and will respond well to the end of the recession. The debt to equity ratio is still daunting, and the share price fell 6p to 40p on the news. But Barclays makes it clear that if it ever converts its Preference share into equity (at a price of 70p) it will not regard itself as a long term investor.

Saint Piran

The take-over bid for Saint Piran involves no more than a few million pounds, but the issues which it has raised must be of lasting concern both to Government authorities and the City's self-regulatory bodies. Department of Trade inspectors, the Take-over Panel and the Stock Exchange have all spoken in the strongest terms about the relationship between Saint Piran and its major shareholder, Gasco. But Gasco, having raised its bid to 60p per share compared with the 85p required by the Panel, has now gone unconditional with 62 per cent of Saint Piran's shares under its belt. It could be all over—bar what ought to be prolonged shouting.

Weather

UK TODAY

Cloudy with outbreaks of rain or drizzle.

London, S.E. England, Midlands
Some bright intervals developing. Max. 13C (55F).

E. N.E. England
Mainly cloudy, a few sunny intervals. Max. 12C (54F).

S.W. England, S. Wales, Channel Is.
Mainly dry. Max. 14C (57F).

N. Wales, N.W. England, W. Scotland, N. Ireland
Rather cloudy, outbreaks of rain, especially on coasts. Max. 12C (54F).

Rest of Scotland
Mainly cloudy, perhaps showers at first. Max. 11C (52F).

Outlook
Mainly dry with some sunshine. Temperatures normal.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	16	61	Locarno	F	15	59
Algiers	S	18	64	London	R	9	48
Amsdm.	R	7	45	L. Ang.†	F	13	55
Athens	S	22	72	Luxmbg.	F	7	45
Bahrain	S	30	86	Luxor	S	43	109
Barclna.	S	19	66	Madrid	C	12	54
Belfast	R	10	50	Majorca	C	14	57
Belgrd.	S	13	55	Malaga	C	14	57
Berlin	F	11	52	Malta	S	22	72
Biarritz	S	15	59	M'chstr.	R	7	45
Bmghm.	C	8	46	Melbne.	C	13	55
Blackpl.	C	8	46	Miami†	C	24	75
Bordx.	S	14	57	Milan	S	16	61
Boulgn.	C	8	45	Montrl.†	F	10	50
Bristol	R	9	48	Moscow	C	14	57
Brussels	R	7	45	Munich	C	6	43
Budpst.	F	12	54	Naples	C	16	61
Cairo	S	29	84	Nwcstl.	C	9	48
Cardiff	C	8	46	N York†	F	14	57
Cas'b'ca	F	15	59	Nice	S	18	64
Cape T.	F	18	64	Nicosia	S	21	70
Chicg.†	R	18	64	Oporto	C	11	52
Cologne	C	7	45	Oslo	S	8	46
Cpnhgn.	S	8	46	Paris	S	15	59
Corfu	S	20	68	Perth	C	23	73
Denver†	C	11	52	Prague	F	7	45
Dublin	C	10	50	Reykjvk.	R	6	43
Dbrvnk.	F	16	61	Rhodes	S	20	68
Ednbgh.		—	—	Rome	F	17	63
Faro	F	13	55	Salzbrg.	F	6	43
Florence	F	15	61	S F'cisc†	F	12	54
Frankft.	S	8	46	Singapr.	F	32	90
Funchal	F	16	61	Stckhm.	F	4	39
Geneva	C	10	50	Strasbg.	C	9	48
Gibraltar	S	16	61	Sydney	S	19	66
Glasgow	C	13	55	Tangier	F	15	59
G'rnsey	C	9	48	Tel Aviv	S	22	72
Helsinki	C	2	36	Tenerife	S	20	68
H. Kong	S	29	84	Tokyo	S	20	68
Innsbrk.	F	8	46	T'ronto†	R	9	48
Invrnss.	C	12	54	Tunis	S	24	75
I.o.Man	C	8	46	Valencia	F	16	61
Istanbul	F	22	72	Venice	S	17	63
Jersey	C	10	50	Vienna	R	5	41
Jo'burg	S	16	61	Warsaw	R	8	46
L. Plms.	F	20	68	Zurich	C	5	41
Lisbon	F	12	54				

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

Continued from Page 1

Oil estimate

Two factors have contributed about equally to the latest reduction of 25m-50m tonnes in the mid-point of reserve estimates:

1—The amount of liquid condensate—a type of very light oil—which can be recovered is likely to be less than originally expected;

2—There is thought to be less crude oil in some of the smaller, economically-marginal fields.

But even after this latest revision, the size of potentially recoverable reserves should be sufficient to sustain the present UK rate of production for between 24 and 51 years.

The Energy Department points out that UK oil production averaged 80.5m tonnes last year, bringing to 263m tonnes the cumulative total since production started in 1975.

In contrast to the oil reserves estimates, the amount of estimated recoverable gas reserves has risen slightly from last year's range of 1,100-2,400bn cubic metres to 1,100-2,500bn cubic metres. After allowing for production to the end of 1980, the remaining recoverable reserves are thought to be in the range of 750bn-2,150bn cubic metres. That is enough to sustain the present rate of extraction for 20 to 58 years.

Mitterrand support

Continued from Page 1

ditions for its backing of M. Mitterrand.

Supporters of this theory argued that this was the only way in which the Comunists, whose following in the first round dropped to a post-war low of about 15 per cent, could exercise a strong influence on M. Mitterrand's policies.

Instead, M. Charles Fiterman, a member of the central committee's secretariat and M. Marchais' right-hand man, made clear that the Party had learned an important lesson from the first round.

This was that many Communist voters had opted for M. Mitterrand straight away, rather than waiting until the final ballot to switch their vote to the only remaining left-wing candidate.

That was undoubtedly an error on the part of Communist supporters, because it had contributed to diminishing the influence of the party, M. Fiterman said.

Both M. Fiterman and the central committee's resolution emphasised that M. Mitterrand's policies were not calculated to bring about the fundamental changes advocated by the Communists.

Above all, the Socialist leader had refused to commit himself on Communist participation in a Left-wing Government and his policies remained vague.

However, the party's most important objective was to defeat M. Giscard and "the power of the bourgeoisie." That was why it was making a clear appeal to its supporters to vote for M. Mitterrand in the second round.

Important as the Communist Party's stand undoubtedly is, it does not ensure M. Mitterrand's election, because the total Left-wing vote in the first round added up to only about 47 per cent.

The Socialist candidate will still have to win the support of a substantial number of people who voted for the ecologists or abstained in the first round.

M. Giscard on Monday night pre-empted the Communist decision in a hard-hitting speech in Dole, Eastern France. He warned that a vote for Mitterrand was a vote for the Communists. The real choice facing the country was between a collectivist society and a society of freedom and initiative, he said.

Final first-round results of the French presidential election

	% of votes cast†
Valéry Giscard d'Estaing	28.31
François Mitterrand	25.84
Jacques Chirac	17.99
Georges Marchais*	15.34
Brice Lalonde (Ecologist)	3.87
Arlette Laguiller* (Trotskyist)	2.30
Michel Crepeau (Radical)*	2.21
Michel Debré (Ind. Gaullist)	1.66
Marie-France Garaud	1.33
Hugette Bouchardeau*	1.10

† Abstention rate 18.91%.
** Pro-Mitterand in second round.*
Figures published by Interior Ministry yesterday.

Israel

Continued from Page 1

The security situation throughout Lebanon has worsened steadily throughout the past three weeks. It was sparked off by attempts by the Christian militias to improve their positions around Zahle.

Fighting has also intensified in the South where Palestinian and Left-wing Muslim forces have been firing shells across the United Nations positions while Israel has flown almost daily sorties against guerilla bases.

This has raised fears that Lebanon could be heading for another civil war or a repeat of the 1978 Israeli invasion.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.